

DEPARTMENT OF DEFENSE APPROPRIATIONS FOR 2015

HEARINGS BEFORE A SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS HOUSE OF REPRESENTATIVES ONE HUNDRED THIRTEENTH CONGRESS SECOND SESSION

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DEPARTMENT OF DEFENSE APPROPRIATIONS FOR 2015

WEDNESDAY, APRIL 2, 2014.

DEFENSE HEALTH PROGRAM

WITNESSES

**LIEUTENANT GENERAL PATRICIA D. HOROHO, SURGEON GENERAL,
UNITED STATES ARMY**

**VICE ADMIRAL MATTHEW L. NATHAN, SURGEON GENERAL, UNITED
STATES NAVY**

**LIEUTENANT GENERAL THOMAS W. TRAVIS, SURGEON GENERAL,
UNITED STATES AIR FORCE**

**JONATHAN WOODSON, ASSISTANT SECRETARY OF DEFENSE, HEALTH
AFFAIRS**

OPENING STATEMENT OF CHAIRMAN FRELINGHUYSEN

Mr. FRELINGHUYSEN. Good afternoon, the subcommittee will come to order.

This afternoon, the subcommittee holds an open hearing on the fiscal year 2015 budget request for the Defense Health program. I would like to welcome Dr. Jonathan Woodson, Assistant Secretary of Defense for Health Affairs; Surgeon General of the Army, Lieutenant General Patricia Horoho.

I always mispronounce that. I apologize.

The Surgeon General of the Navy, Vice Admiral Matthew Nathan; and the Surgeon General of the Air Force, Lieutenant General Thomas Travis.

Let me say particularly to Vice Admiral Nathan, thank you for your special work with our friend and colleague, the late Congressman Bill Young. You and your team did some remarkable things, and I just want the record to show that on behalf of all of us, we are very grateful. And all of you who were interested and involved in it, let me thank all of you for the high level of interest.

I thank all of you for your service and welcome you back to the committee. As always, the committee remains committed to providing the very best in medical care to our service men and women, all volunteers as they put their lives on the line for us each and every day. Whether at home or abroad, they deserve the best physicians, nurses, healthcare professionals, equipment and technology available to treat whatever wounds they sustain, whether it be physical or mental. And that is for the long term, whether they remain in the military, or whether they become—they immediately become veterans.

For example, more than 1,600 personnel now bear amputations. I have seen estimates that up to 400,000 individuals are suffering from post-traumatic stress disorder, or syndrome, and of course, there are many cases of TBI, traumatic brain injury. Many of you saw the front page Washington Post story on Sunday, "A Legacy of Pain and Pride." The piece reports that more than half of the 2.6 million personnel deployed to Iraq and Afghanistan struggle with physical and mental health problems stemming from their service. They feel disconnected from civilian life and believe the government is failing to meet the needs of this generation's veterans.

Retired Army Staff Sergeant Christopher Steavens crystallized the mission of this committee and the Department of Defense. He said, and I quote, "I raised my right hand and said, I will support and defend the Constitution of the United States of America. I gave them everything I could. I would expect the same in return," end of quotation marks.

And he should expect the same in return. We recognize that the Veterans Administration bears responsibility here, too. But as far as the active, Guard and Reserve personnel are concerned, your Department and this committee commits ourselves to giving our soldiers, sailors, Marines, and airmen everything they need. We are keenly aware that the Department of Defense faces a tremendous challenge with the growing cost and long-term sustainability of the military healthcare system, a system with about 10 million beneficiaries. Military healthcare costs have risen from \$19 billion in fiscal year 2001 to approximately \$47.4 billion in fiscal year 2015 in your budget request.

This budget request assumes savings associated with several controversial TRICARE benefit cost-saving proposals. I would note that these recommendations must be ultimately approved by Congress, and they have been rejected in the past. The committee is interested in hearing more about them today.

Additionally, the committee remains distressed about the unacceptably high rate of suicide and sexual assault and the ability of the Department to provide mental health counseling for servicemembers. It is imperative that the Department get to the heart of these two critical issues.

We also remain concerned after years of substantial investment over the continued lack of an electronic health record that will help our servicemembers seamlessly—we have been using that term for quite a long time—transition their care from the Department of Defense to the Department of Veterans Affairs. This is an issue with real world day-to-day implications for our troops and our veterans.

The initial mandate for an integrative record was included in the fiscal year 2008 National Defense Authorization Act. Now, 7 years later, we have yet to see working interoperable records between the two Departments. This is unacceptable. And the committee needs to know that progress is occurring and that this challenge will soon have a solution.

So welcome back. We welcome your testimony.

And at this time, I would like to turn to my ranking member, Mr. Visclosky, for any comments or statement he would like to make.

Mr. VISCLOSKY. Thank you very much, Mr. Chairman.

Mr. Chairman, I thank you for holding this hearing as you address questions as to how we care for our servicemembers and their families. I also do want to thank our witnesses for their testimony. Your remarks and frank answers to our questions are essential to our deliberations on the fiscal year 2015 budget request.

In order to preserve the readiness of our U.S. forces and our ability to provide world class care, this year's request proposes to control the growth of personnel and healthcare costs that consume an increasing share of the Defense budget. I recognize the need to address these problems, problems that have proven to be some of the most difficult to resolve in light of unsuccessful attempts in the past with plenty of, if you would, responsibility resting in the Congress as well as the current and past administrations.

As we proceed, I believe that all of us want to also ensure, however, that these changes are equitable in their impact. With that, I thank you for your service and your testimony today.

Thank you, Mr. Chairman.

Mr. FRELINGHUYSEN. Thank you, Mr. Visclosky.

Mr. Secretary, the floor is yours. Your entire printed statement will be put in the record, and we are glad you are back. Thank you.

TESTIMONY OF DR. WOODSON

Dr. WOODSON. Well, thank you very much, Chairman Frelinghuysen, Ranking Member Visclosky, and members of the subcommittee. Thank you for the opportunity to present the Department of Defense request for fiscal year 2015 health program funding.

Our national security and defense strategies must be supported by a strong, relevant, agile, and forward-leaning Military Health System. Our servicemembers deserve and the American people expect excellent care delivered reliably, effectively, efficiently, and compassionately anywhere our servicemembers are stationed or deployed. Our fiscal year 2015 budget supports these efforts and supports our quadruple aim of increased readiness, better health, better care at lower cost. We are committed to sustaining the medical readiness of our forces, the clinical skills of our medical forces, and the world class treatment and rehabilitation for those who fight battles today, yesterday, and tomorrow.

This budget also sustains our long-term medical research and development portfolio, allowing us to continually improve the care for the warfighter. The Military Health System has performed well in 13 years of war, achieving historic outcomes in our ability to reduce the rate of disease and nonbattle injury in the combat theater and to increase the rate of survival of war wounds.

We are proud of these outcomes, but in order to meet our mission in the face of changing threats and limited resources and working closely with the Surgeons General, I have outlined six lines of effort for the Military Health System in support of the Secretary's priorities. These include modernizing the Military Health System's management with an enterprise focus, define and resource the

medical capabilities and manpower needed in the 21st century, invest in and expand strategic partnerships, assess the balance of our medical force structure, modernize the TRICARE health program, and define the Military Health System's global health engagement requirements.

For this hearing, I would like to focus on two of these efforts that directly relate to our budget request for this year. The Defense Health Agency, a designated combat support agency, is an important first step in modernizing our common business and clinical practices with accountability for performances both to the Assistant Secretary of Defense for Health Affairs and the Chairman of the Joint Chiefs of Staff. We have incorporated 7 of the 10 shared services into the Defense Health Agency and we have made substantial progress in achieving savings earlier than projected, as we consolidated functions and we reduced redundancy and variation.

Our proposal for fiscal year 2015 budget also includes efforts to modernize the TRICARE program. This proposal will simplify and modernize the existing TRICARE program in ways that provide incentives for wellness, decrease over-utilization and allow beneficiaries to choose their providers. This proposal includes modest increases in beneficiary out-of-pocket costs. I fully recognize that any increase in out-of-pocket costs for our beneficiaries introduces concern from those we serve, the organizations that represent them, but I want to make clear that the TRICARE benefit will remain one of the most comprehensive benefits in this country, and it will modernize the program for the first time in many years.

Mr. Chairman, we understand that the Department of Defense must do its part in addressing the Nation's budget concerns and that it must be done in a responsible and judicious manner. I believe this proposed budget meets the test, and I am hopeful that working collaboratively with Congress and our military service-member and the veterans organizations we can reach an agreement on the budget proposals.

I thank you for the opportunity to speak here today, and I look forward to your questions.

Mr. FRELINGHUYSEN. Thank you, Mr. Secretary.

[The statement of Dr. Woodson follows:]

Prepared Statement
of
The Honorable Jonathan Woodson
Assistant Secretary of Defense for Health Affairs

REGARDING
THE MILITARY HEALTH SYSTEM OVERVIEW

BEFORE THE
HOUSE APPROPRIATIONS COMMITTEE
DEFENSE SUBCOMMITTEE

April 2, 2014

Chairman Frelinghuysen, Ranking Member Visclosky and members of the Subcommittee, thank you for the opportunity to present the Department of Defense request for fiscal year 2015 health programs funding.

Over the past thirteen years of war, our ability to deliver highly integrated combat casualty care has demonstrated a clear benefit to wounded, ill or injured Service members and provided timely support for combatant commanders. This success was built on a solid foundation of research, clinical experience, and hardworking professionals, both military and civilian, funded by the American taxpayer.

Looking forward, our national security and defense strategies must be supported by a strong, relevant, agile and forward-leaning MHS. The American public and our national leaders expect excellent care delivered reliably and compassionately anywhere our Service members are stationed or deployed. Furthermore, after thirteen years of war, they expect that the current level of support and care will be efficient and enhanced to meet future demands.

Secretary Hagel has outlined his priorities for managing the significant change the Department will experience in the coming years: institutional reform; re-evaluating our military force planning construct; preparing for a prolonged readiness challenge; protecting investments in emerging military capabilities; balancing forces between active and reserves; and reforming personnel and compensation policies.

In support of the Secretary's priorities, I have outlined six lines of efforts for the MHS. These include: (1) modernize MHS management with an enterprise focus; (2) define and deliver the medical capabilities and manpower needed in the 21st century; (3) invest in and expand strategic partnerships; (4) assess the balance of our medical force structure; (5) modernize the

TRICARE health program and (6) define the MHS' global health engagement requirements. Nested under each of these lines of effort are a variety of initiatives for the MHS designed to improve our ability to deliver quality healthcare wherever and whenever called upon to do so.

For this hearing, I would like to focus on two of these efforts that directly relate to our budget requests for this year.

Modernize MHS Management with an Enterprise Focus

The Defense Health Agency, a designated Combat Support Agency, is an important first step in modernizing our common business and clinical practices with accountability for performance to both the ASD(HA) and the Chairman. We have incorporated five of the ten targeted initial shared services into the DHA (listed below) and, over time, will look for other areas where we can be more efficient as a single entity in supporting the Services.

<p>The TRICARE Health Plan Pharmacy programs Medical education and training Medical research and development Health information technology Facility planning Public health Medical logistics Procurement/contracting Budget and resource management</p>
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In determining which common business and clinical practices become incorporated into the DHA for management, we follow a disciplined analytic approach and medical logistics provides a good example of our process. It was evident early in the process that the MHS needed to increase the proportion of purchasing from government-negotiated contract schedules and reduce the amount of purchasing through government purchase cards. The value stream analysis quickly highlighted this opportunity; the Services' medical logistics leaders communicated this

opportunity to the field and established draft measures to monitor performance. DoD has already witnessed a significant decrease in the use of government purchase cards and has increased the anticipated cost savings. In our initial business process reengineering analysis, we did not project any savings in FY2014. However, as a result of this change in buying behavior, we are on a path toward saving over \$10 million in this FY and will also be accelerating our savings in the out years.

Another example is Health Information Technology, where multiple value streams have been developed and refined, to include the rationalization and consolidation of contracts, infrastructure, and systems to support our Health IT portfolio. Our original projections for Health IT, captured in our reports to Congress, anticipated additional costs in FY14 that would set the stage for savings in FY15 and beyond. Aggressive consolidation of IT management, progress toward establishing a single medical network infrastructure, and efforts to rationalize Service-specific systems, however, have cumulatively allowed us to introduce savings of \$24.7 million in the first year of this shared service.

We have made significant progress since the DHA was established 150 days ago and are on track with most major milestones. In some instances, we have accelerated timelines for implementation and achieved savings earlier than initially projected. We are committed to ensuring our reforms work as planned and are confident in our approach; we remain appreciative of the support the Congress has provided over the last year.

In addition to the DHA, we have reformed our governance or decision-making process to drive performance and system improvement. We have engaged the Services more directly and explicitly into the governance process – both for policy-making and enterprise-wide operational decision-making. We have established, by charter, a number of integrated governing bodies to

accomplish this reform.

Another effort is the implementation of enhanced Multi-Service Market authorities and a structured process for monitoring and improving performance. We have established core measures of performance for the enterprise along with supporting measures linked to each of our objectives. These measures will be used to track performance through our governance structure that will hold all accountable for results.

We are investing in enterprise information systems that will help us do our work better and more efficiently. A good example of this effort is the implementation of a new Electronic Health Record (EHR). Our strategic objectives in regards to how we will ensure the interoperability of medical records of service members between DoD and the VA remain the same. We will: (1) provide seamless, integrated sharing of standardized health data among DoD, VA, and private sector providers; and (2) modernize the Electronic software and systems supporting DoD and VA clinicians.

Over the last ten months, we have made tactical changes in how we will work with the Department of Veterans Affairs (VA) on this effort, but achieve these same ends. We continue to work closely with our VA partners to achieve these objectives. By replacing our legacy systems with a single enterprise solution, we can enhance the delivery of care, improve the experience of care for our beneficiaries and better manage the health of our population. I am responsible for ensuring that the requirements for the new EHR meet the needs of our health system and the people we serve. I am working closely with Mr. Frank Kendall, the Under Secretary for Acquisition, Technology and Logistics, and Mr. Chris Miller, the Director of the Defense Healthcare Management Systems, that includes both the Interagency Program Office (IPO) and the DoD Healthcare Management System Modernization office. Mr. Miller is leading the

acquisition effort for the EHR.

Modernize the TRICARE Health Program

Health care costs continue to rise and economists project the current lower rate of growth will accelerate again in the future. In order to prepare the MHS and the Department, we are taking a number of steps to ensure the long term viability of the TRICARE Program. To that end, we are taking an aggressive approach to health promotion and prevention. Operation Live Well is the overarching framework for a set of programs and services we are offering to our military community. In addition, we working closely with the Military Community and Family Policy Office on the Healthy Base Initiative – in which fourteen military installations and defense agency offices around the world are participating in highly customized local efforts to improve health and well-being. Although there are many actions we can take to improve readiness, health, and cost control no single item can have as broad an effect across all of our strategic aims as a measurable change in individual and community health behaviors.

Over the last four years, the Department has identified a number of initiatives focused on the purchased care sector – to include the implementation of outpatient prospective payment, reimbursement changes for Sole Community Hospitals, and changes in how we reimburse our Uniformed Services Family Health Plan providers for our dual-eligible Medicare/TRICARE beneficiaries. Cumulatively, these changes have led to impressive cost savings in our purchased care accounts, but now we must take a more comprehensive perspective in managing military health care costs.

Efforts to improve the execution of the TRICARE Health Plan are focused on how we better integrate our direct care and private sector health services delivery. As this generation of TRICARE contracts nears the end of its contract term, the Department is looking to reshape our

contracts in ways that can improve integration with military medical facilities, reduce unnecessary overhead and achieve greater simplicity for the beneficiary and the government. We have begun this work under the DHA and will be communicating with industry later in 2014 about our plans.

Our proposal for the FY15 budget also includes efforts to modernize the TRICARE program in terms of beneficiary engagement. The FY 2015 President's Budget proposal would simplify and modernize the existing TRICARE program in ways that provide incentives for wellness, decrease overutilization of health services, and allow beneficiaries to choose their providers. This proposal includes modest increases in beneficiary out-of-pockets costs for active duty families, retirees and their families, and Reserve Component members and their families, although some families may actually see a decrease.

The TRICARE benefit remains one of the most comprehensive benefits in the country, as it should be. Service members on active duty would have no out-of-pocket expense regardless of the point of delivery (MTF, network, or out-of-network) and the highest priority for access to MTF care.

In terms of simplification, the proposal would consolidate the various TRICARE options – TRICARE Prime, Extra, Standard, and other TRICARE Plans – into one plan. This model would make it easier to obtain care and provide greater freedom of choice by eliminating the requirement for beneficiaries to require authorizations when seeking civilian care. This approach would greatly simplify the administrative burden for beneficiaries and government and reduce unnecessary administrative costs.

This proposal would fully modernize our health plan for the first time since it was created twenty years ago with more contemporary benefit design and patient choice. Preventive services

would be covered at no cost to beneficiaries, regardless of where they receive their care – MTF, network or out-of-network. The cumulative effect of the proposed TRICARE fee increases still ensures beneficiary out-of-pocket costs (a) remain far below costs experienced by military beneficiaries in 1994, and (b) remain far better than virtually every comparable employer in the US today.

The ensuing tables provide specific information on the proposals we have included in this year's proposal.

Cost Sharing by Beneficiary Tier

Tier 1 is comprised of the following beneficiaries

(who would also continue to have priority MTF access *as they do now*):

- Service members on active duty (greater than 30 days)
- Reserve Component (RC) members for the treatment of a line of duty (LOD) condition

Tier 2 Beneficiaries	Tier 3 Participants
No participation fee	Pay participation fee
eligible active duty family members	
retirees (medically retired) and their eligible family members (new)	retirees (not medically retired) and their eligible family members
members of the US Family Health Plan (USFHP) with an active duty or Tier 2 sponsor	members of USFHP with a Tier 3 sponsor
survivors of service members who died on active duty (improved)	survivors of retirees
individuals covered under the Transitional Assistance Management Program (TAMP)	

Note: Tier 3 participants eligible for premium-free Medicare Part A would be required to pay Part B premiums to Medicare *as they do now*, in addition to the TRICARE participation fee.

By law, TRICARE for Life (TFL) beneficiaries would continue to have zero out-of-pocket expenses *as they do now* for services that are covered by both TRICARE and Medicare. If a service is covered by TRICARE, but not Medicare, TRICARE cost sharing rules would apply *as they do now*. If a service is covered by Medicare, but not TRICARE, Medicare cost sharing rules would apply *as they do now*. MTFs would not collect copayments from any TFL beneficiaries.

Table 1 – Annual TRICARE Participation Fee Rates (Calendar Year 2016)

TRICARE Participation Fee (inflated annually by cost of living adjustment (COLA) percentage)	
Tier 1	\$0
Tier 2	\$0
Tier 3, non-Medicare eligible	\$286 individual/ \$572 family
Tier 3, Medicare eligible	1% of gross retired pay/individual, max \$300 (\$400 for sponsor O7 or above)

Note. Individuals (other than ADFMs) eligible for premium-free Medicare Part A would be required to pay Part B premiums to Medicare *as they do now*.

Table 2 – Annual Deductible and Catastrophic Cap (Calendar Year 2016)

General Deductible (out-of-network care)	
Tier 1	\$0
Tier 2, E1–E4 sponsor	\$150 individual/\$300 family
all other Tier 2 and Tier 3	\$300 individual/\$600 family
Catastrophic Cap (per fiscal year)	
Tier 1	\$0
Tier 2 family	\$1,500 network/\$2,500 combined
Tier 3 family	\$3,000 network/\$5,000 combined

Table 3 – Outpatient Cost Sharing (Calendar Year 2016)

Services	TRICARE Network and Military Treatment Facility				Out-of-Network	
	Tier 2		Tier 3		Tier 2	Tier 3
	with sponsor E4 & below/ E5 & above					
Clinical preventive services ^a	\$0		\$0		\$0	\$0
Primary care visit	\$0/0 \$10/15	MTF visit network visit	\$10 \$20	MTF visit network visit	20% ^b	25% ^b
Specialty care visit (including behavioral health, PT, OT, speech)	\$0/0 \$20/25	MTF visit or network BH group visit network visit	\$20 \$30	MTF visit or network BH group visit network visit	20% ^b	25% ^b
Urgent care facility	\$0/0 \$25/40	MTF visit network visit	\$30 \$50	MTF visit network visit	20% ^b	25% ^b
Emergency department	\$0/0 \$30/50	MTF visit network visit	\$50 \$75	MTF visit network visit	20% ^b	25% ^b
Ambulance	\$0/0 \$10/15	MTF trip, network trip	\$20	per trip, MTF or network	20% ^b	25% ^b
DME, prosthetics, orthotics, & supplies	10%	of negotiated network fee	20%	of MTF cost or network negotiated fee	20% ^b	25% ^b
Ambulatory surgery	\$0/0 \$25/50	MTF network	\$50 \$100	MTF network	20% ^b	25% ^b

a. No cost for clinical preventive services as selected by the Affordable Care Act

b. Percentage of TRICARE maximum allowable charge after deductible is met

Note: MTF – military treatment facility; BH – behavioral health, PT – physical therapy; OT – occupational therapy; DME – durable medical equipment

Table 4 – Inpatient Cost Sharing (Calendar Year 2016)

Services	TRICARE Network and Military Treatment Facility				Out-of-Network	
	Tier 2		Tier 3		Tier 2	Tier 3
	with sponsor E4 & below/ E5 & above				with sponsor E4 & below/ E5 & above	
Hospitalization	\$17.35 \$50/80	MTF per day network per admission	\$17.35 \$200	MTF per day network per admission	20% ^a	25% ^a
Inpatient skilled nursing/ rehabilitation ^b	\$17/25	network per day	\$25	day	\$25/35 day	\$250 per day or 20% ^a of billed charges for institutional services, whichever is less, <u>plus</u> 20% for separately billed services

a. Percentage of TRICARE maximum allowable charge after deductible is met

b. Inpatient skilled nursing / rehabilitation is generally not offered in MTFs for anyone other than service members

Table 5 – Cost-Sharing Impact on Beneficiary Families (Calendar Year 2016)

		Current TRICARE Triple Option		Consolidated TRICARE Health Plan	
		Annually	Monthly	Annually	Monthly
Tier 2 Family ^a					
(3 ADFMs not including service member)	DoD cost	\$ 11,301		\$ 10,588	
	Family cost sharing (no fee)	\$ 158	\$ 13.17	\$ 364	\$ 30.33
	Total	\$ 11,549		\$ 10,952	
	% borne by family	1.4%		3.3%	
Tier 3 Family ^a					
(3 members, all under age 65)	DoD cost	\$ 13,435		\$ 12,626	
	Family cost sharing & fee	\$ 1,378	\$ 114.83	\$ 1,526	\$ 127.17
	Total	\$ 14,813		\$ 14,152	
	% borne by family	9.3%		10.8%	

a. Not Medicare eligible

Note. The analysis assumes an average mix of MTF and civilian care within each beneficiary tier, and a weighted average of Prime and Non-Prime users for the current TRICARE triple option.

TRICARE would still offer a significant value compared to commercial insurance plans. The annual employer health benefits survey published by Kaiser Family Foundation (KFF)/ Health Research & Educational Trust ¹ offers a useful [benchmark for comparison](http://kff.org/health-costs/). For instance, the 2013 average annual total premiums for employer-sponsored health plans were \$5,884 for single coverage and \$16,351 for family coverage.

The average employee contributions to the premium cost in 2013 were:

\$ 999 (\$ 83.25/month) for single coverage

\$ 4,565 (\$ 380.42/month) for family coverage

¹ <http://kff.org/health-costs/>

By comparison, the TRICARE participation fee (premium) would be \$572 (calendar year 2016). Care at the MTFs would be very inexpensive with low copayments for Tier 3 participants and free of cost sharing for Tier 2 beneficiaries. TRICARE pharmacy copayments would remain significantly lower than other pharmacy benefit programs.

Table 6 - Health Plan Comparison

	TRICARE Standard Retiree family	FEHB Kaiser High	FEHB BC/BS Standard	TRICARE Consolidated Tier 3
family premium	\$ 0	\$ 5,055	\$ 5,329	\$ 572
family deductible	\$ 300	\$ 0	\$ 700	\$ 600
network specialty care visit	25%	\$ 20	\$ 30	\$ 30
network pharmacy	\$ 17	\$ 30	30%	\$ 28
(brand/non-formulary)	\$ 44	\$ 50	30%	limited availability
family catastrophic cap	\$ 3,000	\$ 4,500	network \$ 6,000 combined \$ 8,000	network \$ 3,000 combined \$ 5,000

Note. TRICARE Standard and FEHB are 2014 figures. TRICARE consolidated are 2016 figures.

Budget Request

Our FY2015 budget supports these efforts and our Quadruple Aim of increased readiness, better health, better care, at lower cost. We are committed to sustaining the medical readiness of our forces, the clinical skills of our medical forces, and the world-class treatment and rehabilitation for those who fight the battles of today, yesterday and tomorrow, and their families. This budget also sustains our long-term medical research and development portfolio allowing us to continually improve care for the warfighter.

For Fiscal Year 2015, we are requesting \$32 billion for the Defense Health Program (DHP) Appropriation. Of this request, nearly \$24.2 billion will support direct patient care in our military hospitals and clinics, as well as, care purchased from the civilian sector. This budget request will adequately fund our daily operations and our research programs; and it provides

sufficient resources to purchase needed medical equipment. Compared to last year's budget, this request represents a decrease of approximately 2 percent from our FY2014 appropriated funding.

Mr. Chairman, we understand the Department of Defense must do its part in addressing the nation's budget concerns and that it must be done in a responsible and judicious manner. I believe this proposed budget meets this test, and I am hopeful that in working collaboratively with our military service member and veteran organizations, we can reach agreement on our budget proposals.

I also appreciate the carryover authority Congress has granted each year. This has been an invaluable tool that provides needed flexibility to manage issues that emerge during the year of budget execution. Given the size of our program and the inherent uncertainty in medical usage and costs, and especially medical claims costs related to our TRICARE program, carryover authority allows us to better manage the financial volatility within our program.

I am honored to represent the men and women of the Military Health System before you today, and I look forward to answering any questions you may have.

TESTIMONY OF LTG HOROHO

Mr. FRELINGHUYSEN. Surgeon General Horoho, the floor is yours. Thank you for being with us.

General HOROHO. Chairman Frelinghuysen, Ranking Member Visclosky, and distinguished members of the subcommittee, I thank you for this opportunity to tell the Army medicine story.

On behalf of the dedicated soldiers and civilians that make up Army medicine, I appreciate the support that Congress has provided. I want to start by acknowledging America's sons and daughters who are still in harm's way today. We have 32,000 soldiers committed to operations in Afghanistan and an additional 120,000 soldiers forward stationed or deployed in nearly 150 countries doing the work of freedom.

Since 1775, the Army's medical personnel have served with our fighting troops and received them when they returned home. We do this by focusing our efforts across four priorities: combat casualty care; the readiness and the health of the force; a ready and deployable medical force; and the health of our families and retirees.

Just as the health of the Nation and the health of our Army are not separate entities, the health and the readiness of our Army are inseparable because health is a critical enabler to readiness.

Today, I am proud to report that we are beginning to see results in readiness, in health, in cost savings. To our service lines and standardization of processes across the medical command, we have synchronized our policy, programs, and resources, and we are starting to see some very strong results. Our medical and dental readiness is at its highest level since 2001. Our performance triad of healthy sleep, activity, and nutrition is spreading across our Army and Army family. Since embedding behavior health capabilities in the brigade footprint, soldiers used outpatient behavior health care more frequently, had fewer acute crises, and required approximately 25,000 fewer inpatient psychiatric bed days in 2013 compared to 2012. This brought a cost avoidance of approximately \$28 million.

The Army wellness centers are seeing early indicators in improved health. For the 2,400 individuals who were followed, 62 percent saw a 4 percent decrease in their body mass index and a 15 percent increase in cardiovascular fitness and oxygen consumption. Our patient-centered medical home led to a 6 percent reduction in over-utilization of emergency room visits, which equates to a \$16.3 million cost avoidance and a decrease in polypharmacy of almost 50 percent.

I believe this is only the beginning as we continue towards a system of health. Army medicine ensures that the Army maintains a medically ready force and a ready medical force. Our health care providers require professional and operational development, which begins in our military hospitals. The Army medicine operating force provided 70 percent of combat casualty care in Iraq and Afghanistan. This valuable experience permeates into our education and our training base of the Uniform Service University, Army Medical Department (AMEDD) Center and School and our Joint Medical Education and Training Center at Fort Sam Houston. Our

programs are outlined further in the written testimony. So I want to take a moment to acknowledge what is not in my written testimony.

And that is, this is a time of hard conversations and very tough choices. For the first time, we are decreasing the size of our Army before the longest war in our Nation's history has ended. We are poised to transition to the interwar years, and we must work aggressively to sustain our combat care skills, nurture an environment of dignity and respect, and maintain trust with the American people.

As a leader, I get asked what keeps me up at night. I worry about the long-term repercussions of these wars on our veterans. I worry about sexual assault and sexual harassment occurring across our Nation and Department of Defense. I worry about losing momentum towards building the health, resiliency, and readiness of our armed force. I worry about the loss of science and technology that has accelerated medical advances that give the American public confidence to allow their sons and daughters to serve.

Our Nation has the best military medical team in the world, and there is no true equivalent within the civilian sector. We are a combat multiplier. We are drivers of medical innovation. What our men and women in military medicine do every day on deployments and in garrison is what makes military medicine unique, and it is what makes me very, very proud. This is both a time of challenge and a time of opportunity. The nature of war will always have medical threats. Our job is to be ready, whenever, and wherever. Anything less will cost lives, and this is not going to happen on my watch.

Though we live in uncertain times, one thing is certain: A healthy, resilient, and ready Army will be, as it always has been, the strength of our Nation.

I want to thank my partners in the Department of Defense and the VA, my colleagues here today on the panel, Congress, for your continued support. The Army medicine team is serving proudly; honored to serve. Thank you.

Mr. FRELINGHUYSEN. Thank you, General.

[The statement of Lieutenant General Horoho follows:]

RECORD VERSION

STATEMENT BY

LIEUTENANT GENERAL PATRICIA D. HOROHO

THE SURGEON GENERAL

UNITED STATES ARMY

BEFORE THE

HOUSE COMMITTEE ON APPROPRIATIONS

SUBCOMMITTEE ON DEFENSE

SECOND SESSION, 113TH CONGRESS

ON DEFENSE HEALTH PROGRAM

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HOUSE COMMITTEE ON APPROPRIATIONS

Chairman Frelinghuysen, Ranking Member Visclosky, and distinguished members of the subcommittee, thank you for the opportunity to tell the Army Medicine story and highlight the incredible work of the dedicated men and women I am honored to serve with. On behalf of the dedicated Soldiers and civilians that make up Army Medicine, I extend our appreciation to Congress for the faithful support to military medicine, which provides the resources we need to deliver leading edge health services to our Warriors, Families and Retirees.

I would like to start by acknowledging America's sons and daughters who are still in harm's way – today the US Army has 32,000 Soldiers committed to operations in Afghanistan and an additional 120,000 Soldiers forward-stationed or deployed in nearly 150 countries, doing the hard work of freedom. And to the Army Medicine personnel currently deployed in support of global engagements – they and their families are in my thoughts, making me proud to serve as The Surgeon General of the Army.

Since 1775, America's medical personnel have stood shoulder to shoulder with our fighting troops, received them at home when they returned, and been ready when called upon to put their lives on the line. While the wounds of war have been ours to mend and heal during a period of persistent conflict, our extraordinarily talented medical force also cared for the non-combat injuries and illnesses of our Soldiers and their Families. It is an honor to serve as the commander of this outstanding healthcare organization, caring honorably and compassionately for our 3.9 million beneficiaries.

Never before has our Army had such a combination of years of combat medical experience, innovation and technology, communications systems to link us together, and a training platform to build a diverse array of skill sets. The strengths of the Army Medicine Team have been built on the lessons learned, codified and continually tested and improved upon, because our Nation's heroes deserve nothing less.

Today Army Medicine provides responsive and reliable healthcare, while improving the readiness, resilience, and performance of our Force. We focus our efforts across the four top priorities: combat casualty care; readiness and health of the Force; a ready and deployable medical force; and the health of families and retirees. These four priorities are strategically nested with those of the U.S. Army and Military Health System, and span the entire spectrum of

health from medics providing combat casualty care on the battlefield to primary care teams back in garrison caring for Soldiers, Families and Retirees.

Combat Casualty Care

Combat Casualty Care extends from lifesaving treatment by the medic at the point of injury, to the combat support hospital, through theater evacuation, to definitive care, healing and rehabilitation at our US-based Medical Centers, and includes the transition of our Wounded Warriors back to service or returning home as Veterans through the disability evaluation system. And Combat Casualty Care is not limited to the battlefield of today, but extends to the research and development, development of leaders and doctrine that will save lives and maintains health in all future operational environments. The Soldiers serving in combat zones now and in the future deserve the same quality care as those who we served during the peak years of two simultaneous theaters of conflict.

Our medical teams have achieved the highest combat survival rates in history. Multiple improvements in battlefield medical care, including the effective use of Tactical Combat Casualty Care protocols at the point of injury, tourniquet use, rapid evacuation, and early pain management strategies have contributed to the all-time high survivability rate of 91% during Operations Enduring Freedom and Operations Iraqi Freedom despite more severe and complex wounds. Moreover, our unwavering support of wounded, ill, or injured Soldiers has allowed necessary healing and recovery, and enabled a 47% return to duty rate for the Force. This translates to a cost-avoidance to recruiting and training of \$2.2 billion.

We also have considered the long-term impacts of war, recognizing that not all combat injuries are visible. The rapid coordination of traumatic brain injury screening and clinical practice guidelines allowed for our in-theater concussive care centers to provide a 98% Return-to-Duty rate. In addition, by embedding capabilities such as behavioral health and physical therapy with deployed units, we provide early intervention and treatment, keeping the Soldier with the unit and decreasing the requirements to evacuate Soldiers from theater. Through a combination of efforts, suicides in Active Duty Soldier ranks fell from 165 to 126 in 2013

Readiness and Health of the Force

Army Medicine directly influences combat power by ensuring the medical readiness and the health of the Force, both active and reserve components. To maintain a ready and deployable Force, our Nation's Army requires a comprehensive System for Health designed to maximize the fighting strength, prevent disease and injury, build resiliency and promote healthy behaviors. Our personnel and services must maintain, restore, and improve the deployability, agility, and performance of our Service Members. Our readiness platforms include aid stations, Soldier Centered Medical Homes, dental clinics, garrison medical facilities. Programs and initiatives designed to improve healthy behaviors, such as the Performance Triad of healthy sleep, activity, and nutrition, increase the health and resilience of our Soldiers to better prepare them for challenges unseen.

A Ready and Deployable Medical Force

A ready and deployable medical force is key to the support of the Army and the Nation. We must also ensure our own medical personnel are prepared for future challenges. The skills, knowledge, and abilities that have provided our Nation's military the highest quality care must be preserved, and continue to evolve to meet the needs of future conflicts. Our Nation has never had a more combat skilled medical force, able to rapidly introduce lessons learned from the battlefield into mainstream clinical practice. It is the healthcare of our Soldiers, Families, and Retirees in the garrison environment that provides the clinical platform for our providers to treat, train, educate, and maintain the critical wartime clinical skills needed to save lives along the continuum of battlefield care. Whether it is the clinical currency of deployed healthcare providers, or the training and leader development to command a medical treatment facility, Army Medicine ensures the Army maintains a medically ready Force and a ready medical force to support them.

The Health of Families and Retirees

Our Families have demonstrated unprecedented strength and resilience, quietly shouldering the burdens of our Nation's wars. Our System for Health provides care that recognizes the unique circumstances and stressors placed on our military families. By decreasing variance across our enterprise through service lines, we are employing a system that improves efficiency, quality, and the patient care experience.

A comprehensive and coordinated team working to move the dial further towards health has demonstrated that this model can and does work. The successes seen in our Patient Centered Medical Homes and Army Wellness Centers, with decreased Body Mass Index, improved health outcomes, improved medical readiness, and decreased over-utilization of emergency room (ER) services, are several examples of how our model of care can improve the health of our population.

As the size of our Army draws down, we must continue to support a high-quality, leading-edge healthcare system. This is both a time of challenge -- and a time of great opportunity. We remain steadfast in our commitment to four top priorities: combat casualty care; readiness and health of the Force; a ready and deployable medical force; and the health of families and retirees.

Military Medicine at a Crossroad - The Interwar Years

Since September 11, 2001, more than 1.5 million Soldiers have deployed, and many have deployed multiple times. Our Nation has never endured two simultaneous conflicts for this length of time. We must make certain we use our inter-war years, working aggressively to ensure we maintain robust combat casualty care skills and maintain trust with the American people. Our Nation's sons and daughters in uniform deserve nothing less than the level of support and capability we provided during our years in Iraq and Afghanistan.

Army Medicine encompasses care, education, training, and research that extend through the full life-cycle of a Soldier. Our commitment to Wounded Warriors and their Families must never waiver, and our programs of support and hope must be built and sustained for the long road ahead as the young Soldiers of today mature into our aging heroes in the years to come. For those who have borne the greatest burden through injury or disease suffered in our Nation's conflicts, we have an even higher obligation to the wounded and to their families. They will need our care and support, as will their families, for a lifetime.

Not Until I have Your Wounded

We are at our best when we operate as a part of a Joint Team. Between 2005 and 2013, the case fatality rate for US personnel in Afghanistan decreased significantly from 17% down to

9%, despite increases in battlefield injury severity. Our collective effort – Army, Navy, and Air Force – transcends individual services, seamlessly synchronizes care, and saves lives on the battlefield. The Army Medical Department (AMEDD) is focused on building upon these successes. As we continue our readiness mission at home, we are steadfast in our commitment to working as a combined team, anywhere, anytime.

The AMEDD contributes 40% of the MHS personnel hours, and provides 49% of the care to all Service Members. We are not only the Army's readiness platform, but also a significant contributor to the readiness of our total military.

Our medical combat readiness, from how we train to how we treat, has inherently unique characteristics compared to trauma training received in the civilian sphere. Performing complex combat trauma care in a chaotic and hostile environment, whether at the point of injury or en route to a combat support hospital, requires a mastery of complex clinical skill sets, performing simultaneous triage and emergency care. It is only through the continued use of validated and matured training platforms that we sustain the capability and maintain a highly proficient medical force ready for the next theater of conflict.

The Borden Institute is an agency under the AMEDD Center and School (AMEDD C&S) that was established in 1987 to foster and promote excellence in military academic medicine through publications. In 2013, the 4th edition of the Emergency War Surgery (EWS) handbook was published, capturing the most current lessons learned from battlefield medicine, and highlighting advancements in both techniques and processes that are shown to improve survival rates. The newly formulated paradigm of Damage Control Resuscitation provided balanced resuscitation techniques that have reduced the mortality rate of massive transfusion casualties from 40% to less than 20%. In addition, the EWS handbook outlines the Tactical Combat Casualty Care (TCCC) system, which divides forward care into stages depending on the tactical situation, including guidelines for when and how to employ hemorrhage control, airway management, and tourniquet use.

Our Army is charged with being prepared to face tomorrow's challenges. Wartime medical lessons learned have led to over 36 evidence-based, battlefield-relevant Clinical Practice Guidelines that have decreased combat morbidity and mortality. As we continue to care for the

needs of the current Force, we must also anticipate how our National Defense strategic pivot to the Asia-Pacific could influence medical threats. History demonstrated during the Vietnam War, Korean War, and World War II's Asia-Pacific conflicts, that the cumulative effect of disease represented the greatest drain on US combat power.

Traumatic Brain Injury

Between 1 January 2000 and 30 June 2013, almost 300,000 DoD Service Members worldwide have been diagnosed with Traumatic Brain Injury (TBI), with approximately 82% of these injuries being classified as mild TBI or concussions. Since 2000, Army Soldiers comprise almost 60% of all DoD TBI cases, making this issue a clear priority in Army Medicine. Since almost 80% of the Army's TBI cases occurred in garrison, our need for continued research to improve care is not limited to wartime medicine.

Army Medicine leads the Nation in TBI efforts; we have mandated TBI education across the entire Army, published a comprehensive TBI screening policy in both deployed and garrison environments, implemented a TBI tracking mechanism for Soldiers, and employed sensor technology to learn more about concussions. We also ensure that every Army MTF has the capability to care for Soldiers with TBI. For FY15 we have invested over \$77M in our infrastructure to provide care for Soldiers who have TBI.

Through case experiences such as those at the National Intrepid Center of Excellence (NICoE), we better understand the broad range of complexity that can be seen in TBI. The Army is engaged in multiple efforts to ensure Soldiers exposed to potentially concussive events and those diagnosed with mild TBI/concussions are tracked to provide situational awareness to healthcare providers and leaders, and improve medical care delivery. For those with more complex diagnoses, satellite facilities are being built across the Army through the generosity of the Intrepid Fallen Heroes Fund. Construction of the Intrepid Spirit Satellite facility at Fort Campbell is nearing completion, and Army Medicine will provide operational sustainment that equates to \$11.7M. This is the first of 6 Army satellites to be built, with others planned at Fort Bragg, Joint Base Lewis-McChord, Fort Hood, Fort Carson and Fort Bliss. These centers will provide advanced integrated care for patients who have multiple diagnoses (to include TBI, chronic pain, and behavioral health disorders) and require intensive outpatient treatment.

The Army Medical Research and Materiel Command (MRMC) manages the largest TBI research portfolio in the world. The DoD has invested over \$730M since 2007 on TBI research designed to advance detection and treatment, including studies to identify TBI biomarkers, improve neuroimaging techniques, understand the chronic effects of neurotrauma, and evaluate new treatments.

To better address the long-term consequences of blast, we must first be able to objectively identify blast exposures in the individual Warfighter. US Army Training and Doctrine Command (TRADOC) has teamed with MRMC to investigate currently deployed military sensors and additionally any commercial off the shelf (COTS) sensors currently in use by the athletic community. The helmet mounted sensor is providing complementary early identification data on Soldiers that are exposed to potentially concussive events. The Joint Trauma Analysis and Prevention of Injury in Combat (JTAPIC) Program is the repository for the sensor and exposure data, and shares the data across the DoD.

Addressing known gaps throughout the continuum of care, and through collaborations with numerous academic and industry partners, the Army's TBI research portfolio addresses basic science, prevention, detection, screening, assessment, treatment, recovery/rehabilitation, and chronic effects. These scientific advancements will lead our Nation to breakthroughs in detection and care benefitting both military and civilian TBI/concussion patients.

While research in civilian medicine can take 16 years to integrate findings into clinical practice, through collaboration with organizations such as the Defense Centers of Excellence and the Defense and Veterans Brain Injury Center, we are able to more rapidly translate research findings into the latest guidelines, products, and technologies. Improved data sharing between agency, academic and industry researchers accelerate progress and reduce redundant efforts without compromising privacy. This rapid coordination is what led to a 98% RTD rate in theater for those Service Members treated at our Concussion Care Centers in Afghanistan.

In August 2013, the White House released the National Research Action Plan (NRAP) mandating interagency collaboration to better coordinate and accelerate TBI and psychological health (including suicide) research. MRMC is working closely with other federal agencies such as National Institutes of Health (NIH), National Institute of Neurological Disorders and Stroke (NINDS), National Institute on Disabilities and Rehabilitation Research (NIDRR) and the

Department of Veterans Affairs (VA) to execute the President's National Research Action Plan. In addition, the Federal Interagency Traumatic Brain Injury Research (FITBIR) Informatics System is a central repository for new data, using common data elements, and linking existing databases to facilitate data sharing among military, federal and civilian researchers and clinicians.

The Transitioning Force

There is no greater honor than serving to help wounded, ill or injured (WII) Soldiers heal and transition successfully back to the Force or into private sector jobs and careers. Warrior Care is an enduring commitment for our Army. I want to thank the Congress for your unwavering support of these efforts and for the warm embrace of our communities as we transition our Veterans back to hometown USA. Army Medicine supports programs such as Soldier for Life, aimed at best serving our transitioning Warriors. The Soldier for Life program enables Soldiers, Veterans, and Families to leave military service with the resources regarding employment, education, and health.

Since the inception of Warrior Transition Units (WTU) in June 2007, nearly 67,000 Soldiers and their Families have either progressed through or are being cared for by dedicated caregivers and support personnel. Over 30,000 of these Soldiers have returned to the Force, and nearly 15,000 are still serving. This translates to an overall cost-avoidance to the Army of \$2.2 billion to recruiting and training new accessions.

The Army created Warrior Transition Units (WTUs) to provide command and control as well as medical management for Active Component, ARNG, and USAR Soldiers. The WTU population continues to decline as fewer Soldiers whose injuries and illnesses require this focus are entering these units, more Soldiers departing, fewer deployments, fewer medical evacuations, and fewer Reserve Component mobilizations.

Recent Force structure changes within the Warrior Care and Transition Program (WCTP) are a direct reflection of the decreasing WTU population, and retain scalability in order to meet the Army's future needs. Over the past fourteen months, the Army-wide WCTP population has declined by approximately 3,000 Soldiers as a result of reduced contingency operations, thus allowing the Army to tailor the WCTP structure to best meet the needs of the

declining population. As of March 10, 2014, 6,826 Soldiers were assigned or attached to WTUs and CBWTUs – the lowest level since the fall of 2007. This is the result of a well-synchronized effort across the DoD to decrease variance in how we manage our WII.

Despite a declining WTU population, our commitment to provide the best care and support for our WII Soldiers is unwavering. Therefore Secretary of the Army approved the implementation of several changes to the WCTP during FY 14 to include inactivation of five WTUs and establishment of 13 Community Care Units (CCUs) on 11 selected installations to replace the nine Community Based Warrior Transition Units (CBWTUs).

In FY14, the Overseas Contingency Operations (OCO) contribution to the WCTP has decreased while the Defense Health Program contribution remains constant. We anticipate that the overall impact of deactivating 5WTUs and activating 13 CCUs will net a financial savings of approximately \$7M for the Army by FY15.

These WTU Force structure changes are not related to budget cuts, sequestration, or furlough, but will improve the care and transition of Soldiers through standardization, increased span of control, better access to resources on installations, and reduction of unnecessary delays in care. As they did in CBWTUs, CCU Soldiers heal in their home communities via the TRICARE network, and case management interactions are telephonic and via email. Community Care realigns the management of these Soldiers to Warrior Transition Brigades/Battalions (WTBs) with CCUs at select Army installations under dedicated Cadre that will provide enhanced medical management and mission command for these Soldiers by being attached directly to a WTB on an installation with direct triad of leadership and senior commander involvement.

Our commitment to care extends through the transition of Soldiers and Families, who are best served when this process is as efficient and seamless as possible. Interoperability of agencies is important to aiding in the warm hand-off of care between the DoD and the VA, which led to the creation of the Community of Practice (CoP) as a part of the Interagency Care Coordination Committee. The CoP is designed as a borderless, virtual, interagency network of programs and individuals with the common purpose to improve complex care coordination. It gives a formalized operating structure to the facilitation of cross-program collaboration, knowledge, and informal engagement.

Never Shall I leave a Fallen Comrade – The Integrated Disability Evaluation System

A key element of our Warrior Ethos is that we never leave a Soldier behind on the battlefield. This commitment extends beyond the battlefield to the unwavering commitment of Army Medicine. The Integrated Disability Evaluation System (IDES) is a close partnership with the VA, we continue to improve our processes, honoring that commitment to ensure Soldiers are not left behind or lost in a bureaucracy. We continue to strive for improvements with the physical disability evaluation system and seek ways to make it less antagonistic, more understandable for patients and Families, more equitable for Soldiers, and more user-friendly. IDES is a joint DoD/VA process designed to provide a seamless transition from military service to civilian life for our WII. Key goals of IDES are to reduce overall processing time, reduce duplicative exams from DoD and VA, and increase transparency for Soldiers and their Families. Currently, 2.5% of the Total Force is enrolled in IDES.

In 2013, the Army launched the IDES Dashboard, which enables Soldiers and Commanders to view a Soldiers' current status in the IDES process, increasing transparency while transitioning to Veteran status. The IDES Dashboard is hosted on the AMEDD's Command Management System.

To improve efficiency, MEDCOM established the IDES Service Line (IDES SL) to deploy strategy, maintain accountability, and centrally optimize a sustainable, standardized process. The IDES SL has streamlined case processing by increasing collaboration at the MTF-level, and establishing Medical Evaluation Board (MEB) remote operating centers to increase capacity and address the Reserve Component (RC) case backlog, all while creating scalable solutions for surges in IDES referrals. Over the past year, the IDES SL has decreased overall MEB Phase processing time, with 80% of cases now meeting the DoD timeliness standard; a significant improvement from 40% of cases meeting the standard in November 2012. In addition, 100% of the Active Component is meeting the MEB timeline standard.

In order to better serve our RC Soldiers requiring a medical board, the Army continues the deliberate approach developed at the RC Soldier Medical Support Center (RC SMSC). The reduced backlog and increased productivity allows for the dissolution of the RC SMSC and transfer of packet development to each component, which reduces personnel costs and the time

the Soldier spends in the disability process, and increases the number of Soldiers that can be evaluated in any given year.

To improve transparency of the process for Soldiers and commanders, MEDCOM and Army G-1 partnered to deliver the Soldier and Commander IDES Dashboard in September 2013. The dashboard enables Soldiers to view their current case status within the IDES process along with real and projected timelines for completion. In February 2014, the Total Army average number of days for the MEB Phase remained below the 100-day AC/140-day RC standard for all components, with an average number of days for the Total Force being 82 days (77 days for Active Component, 107 for COMPO 2, and 115 for COMPO 3). This 50-day reduction since February 2013 reflects the largest improvement in efficiency since the inception of the IDES program and the investment of \$203M in FY14. The implementation of the IDES SL and process improving initiatives have resulted in positive changes that have allowed MEDCOM to shape its workforce into a lean organization, resulting in a decrease in the necessary level of investments to \$152.5M for FY15.

A Globally Ready and Deployable Force

Our Nation's Army is regionally engaged and globally responsive, providing a full range of capabilities to combatant commanders in a joint, multi-national environment. Army Medicine is both a valuable part and key enabler of the ready and deployable Force. As our military strategy rebalances towards the Asia-Pacific, the readiness of our military requires preparation to meet the medical challenges on a global level. The strategic focus on the Asia-Pacific includes an individual Soldier's readiness to face infectious disease threats, the preparation of our medical assets to conduct disease surveillance, and the innovation of medical research to advance care in a corner of the globe covered by large bodies of water and increased distances for medical movements.

As an Army, as a military, and as a Nation, we have a global influence on medicine and health. During a recent visit to the Asia-Pacific, I met with some of our dedicated Soldiers, leaders, and global partners. I also had the pleasure of visiting our Armed Forces Research Institute of Medical Sciences (AFRIMS) facility in Thailand. We take great pride in our 53 year relationship between the US Army and the Royal Thai Army at AFRIMS. Like our other

overseas medical research laboratories, it serves as a model for medical partnership, as scientists from around the world come together to tackle common yet challenging medical threats such as malaria, Dengue Fever, and HIV. AFRIMS provides a strategic platform to interact with other countries in Southeast Asia, and the research conducted is unique and complementary to other international research efforts, serving as an example of how medical diplomacy opens doors of opportunity that can further relationships with other countries in this region of the globe.

The DoD supports global health engagement efforts that align with the DoD mission to help ensure geopolitical stability and security. The Army's Global Health Engagements (GHE) and global presence support those DoD efforts. Military medicine has shown that we are a force multiplier and an enabler of readiness and global diplomacy.

We proudly export our military medical expertise. In support of Geographic Combatant Command (GEOCOM) requests in FY 13, the AMEDD Center and School (AMEDD C&S) provided training for 266 students from 64 countries in 47 different courses. The US Army Medical Command (MEDCOM) also supported numerous GEOCOM GHE's, including 15 different exercises to include a Veterinary Team in Africa, 26 Subject Matter Expert (SME) exchanges in areas such as critical care nursing, and 41 Augmentation Support Packages across the globe. Collaborating with the international military medical community builds a broader understanding of the global health threats that can not only impact our fighting strength, but can also impact the stability of our allies.

The foresight to invest in the challenges of tomorrow is key to having an adaptable Force. Our medical accomplishments over the last 13 years of combat are rooted in investments starting 20 years prior and continuing through today. Our ability to medically prepare the Force is based on risk, not the size of the mission. As we right-size our capabilities to align with a smaller Army, I want to reinforce the value in continuing to invest in our medical research, medical collaboration and diplomacy, and medical education. From the foxhole to the medical treatment facility, we must continue to identify innovative and cost-effective ways to optimize the clinical currency of our providers in support of medical readiness, performance, and the health of our Force.

Women in the Army

Women have been a part of America's military efforts since the Revolutionary War. As their roles continue to evolve, Army Medicine recognizes the unique health concerns of women in the military. Females make up 15.8% of the Force today – including Active Duty and RC – and the percentage of women continues to grow, up about 4% from 20 years ago. The global impact our military has made during the last 13 years of war could not have been achieved without strong and confident women. From the female medic on the Female Engagement Team, to the civil affairs officer, women in uniform have been an irreplaceable asset to our Nation. Advances in medical care and research that enhance the health, performance and readiness of female Soldiers and Family members, are advances that improve the readiness of our Total Army Family.

In January 2013, the Secretary of Defense rescinded the 1994 Direct Ground Combat Definition and Assignment Rule (DGCAR). This decision expands career opportunities for women and provides a greater pool of qualified members from which our combatant commanders may draw. Soldier 2020 is the Army's task force led by the US Army Training and Doctrine Command (TRADOC) and Army G1 to identify, select, and train the best-qualified Soldiers for each job, which ultimately strengthens the Army's Future Force. An ongoing collaborative effort between US Army Research Institute of Environmental Medicine (USARIEM) and TRADOC is measuring physical demands beginning with Military Occupational Specialties (MOSS) in the high physical demand combat occupations currently closed to females. The goal is to develop valid, safe, and legally defensible physical performance tests to predict a Soldier's ability to perform the critical, physically demanding occupational tasks. The Army's scientific approach for evaluating and validating MOS-specific performance standards aids leadership in selecting and training Soldiers – regardless of gender – who can safely perform the physically demanding tasks of their occupation, ensuring Force capability and readiness, and providing every Soldier the opportunity to serve in any position where he or she is capable of performing to the standard.

The AMEDD welcomes the increased opportunity for women in combat roles and has a long history of working to provide high-quality deployment readiness and healthcare for female Service Members. Army Medicine continues the ongoing work to support women in remote,

austere and Outside the Continental US (OCONUS) locations, where routine well woman care may not be readily available. The Government Accountability Office (GAO) report, released in January 2013, concluded that the DoD is addressing the healthcare needs of deployed Service Women.

The Army is the first military service to focus specifically on women's health issues, particularly related to deployed environments. As a part of the Health Service Support (HSS) assessment team that deployed to Afghanistan in 2011, I evaluated the issues and concerns that female Soldiers experience both in the theater of operation and in the garrison environment. Following the HSS white paper on the concerns of female Soldiers in the combat theater, the Women's Health Task Force was established in 2012, with a full publication of the assessment team findings to be released in 2014.

Army Medicine established the Women's Health Task Force (WHTF), composed of a team of SMEs in a variety of disciplines from the Army, Sister Services, and outside agencies to address the unique health concerns of women serving in the military. The WHTF is shaping education, equipment and care for the next generation of women in the military. Some of the WHTF initiatives include education and training of female Service Members and their leaders to prevent gynecological problems from occurring in austere settings, and early recognition and treatment if they occur. The US Army Public Health Command (USAPHC) has also created marketing and instructional items, such as those to educate female Soldiers on the use of the Female Urinary Diversion Device when in a field environment.

The WHTF team coordinated with the Program Executive Office (PEO) Soldier for updates to the new female body armor with improved maneuverability and fit for the female body shape. The Female Improved Outer Tactical Vest (FIOTV) has been fielded out of Fort Campbell, KY, Fort Bragg, NC, Joint Base Lewis-McChord, WA, and Fort Carson, CO, with positive reviews on comfort and maneuverability by those who have been issued the FIOTV. We currently have just over 24,000 FIOTVs on contract, but that number is going to increase to approximately 75,000 in 2014, which should see final delivery before the end of the fiscal year.

As part of the Army Medicine 2020 Campaign Plan, we established a Women's Health Service Line (WHS�) to manage the unique health needs of women. The development and

structure of care delivery is tailored to ensure responsive and reliable health services for female Soldiers, Families and Retirees that improves readiness, saves lives, and advances wellness with evidence-based practices standardized across clinical processes in our organization. The WHSL focuses on three major priority areas of operational medicine, wellness, and perinatal care, and has identified items such as appropriate screening tools for Intimate Partner Violence to incorporate into all primary care visits. The Army continues to emphasize the importance of women's health by resourcing the WHSL at \$170M in FY15.

The Reserve Component

As an integral part of our military, the Reserve Components (RC) are continually called upon to support operations around the globe. The Total Force relies on critical enabler capabilities provided by a trained and ready Reserve Component. Since September 2001, more than 800,000 RC Service Members have been involuntarily and voluntarily called to Active Duty in a federal status. The RCs for each Service are responsible for ensuring that their Service Members are not only properly equipped and trained, but also medically ready to serve.

The Army National Guard (ARNG) and United States Army Reserve (USAR) provide strategic and operational depth and flexibility to the capabilities of our Force and are a valuable connection to the broader US population. Significant Army capabilities are in the RC, therefore, when it pertains to readiness of the Force, building a System for Health is just as important for the RC Soldiers as it is for those who serve on Active Duty full-time.

Units are more effective when they can train and deploy with all of their members, and early medical screenings enable deployability. Medically ready Soldiers require less medical and dental support in theater and fewer medical evacuations from theater, both of which ensure commanders are able to operate at full capability and conserve resources. Since the implementation and funding of the RC annual medical screening program in 2007, the RC Soldiers have shown marked improvement in achieving readiness goals. As of January 2014, 83% of ARNG Soldiers and 79% of USAR Soldiers met DoD Medical Readiness classification standards. Further, 90% of ARNG and 87% of USAR Soldiers met DoD dental class 1 and 2 readiness standards. This is the highest state of medical readiness since the start of the conflicts in 2001.

MEDCOM has been actively partnering with the line leaders to reduce suicide in Soldiers serving the ARNG and USAR by improving access to BH care. The ARNG currently has a Director of Psychological Health in each of the 54 states and territories to assess and provide BH support. The USAR is doing the same at each of its Regional Support Commands with a coordinator at the Office of the Chief Army Reserve (OCAR) Surgeon's Office. At this time, these positions are fully funded and over 90% filled.

In accordance with the current Reserve Soldier Readiness Procedures, the Army screens RC Soldiers prior to departing a theater of operations and at the demobilization stations for potential issues related to BH. Leaders can also refer Soldiers for treatment if they feel it is indicated. Each of the RCs conducts mental health assessments at 6 months, and again at 1-2 years post-deployment. If treatment is required, the Army refers Soldiers to the servicing VA Medical Center or MTF as appropriate. These screening events are important portals through which Soldiers with BH conditions, such as depression and PTSD, are referred for care.

Finding innovative ways to extend our influence in the ARNG and USAR populations is important to set the stage for Army Medicine to truly strengthen the health of our Nation by impacting those in uniform who work within our civilian communities.

Strengthening the health of our Nation by improving the health of our Army:

A System for Health

Health is a critical enabler of readiness, and Army Medicine is a valuable partner in making our Force "Army Strong." Our strategy – the Army Medicine 2020 Campaign Plan - supports the Army's vision for 2020 and beyond, the Army's Ready and Resilient Campaign Plan (R2C), and the MHS Quadruple Aim. The Army Medicine 2020 Campaign Plan ensures we remain a vibrant and relevant organization contributing to our Nation's security. The health of the Total Army Family (Soldiers, Retirees, Family Members and civilians) is essential for Force readiness, and prevention is the best way to optimize health. Protecting our Army Family from conditions that threaten health is operationally sound, better for individual well-being and ultimately cost effective.

We are aggressively moving from a healthcare system – a system that primarily focused on injuries and illness – to a System for Health that now incorporates and balances health,

prevention and wellness as a part of the primary focus for readiness. Through early identification of injury and illness, surveillance, education, and standardization of best practices, we are building and sustaining health and resiliency. This also moves our health activities outside of the brick and mortar facility, brings it outside of the doctor's office visit, and into the Lifespace where more than 99% of time is spent and decisions are made each day that truly impact health.

We are investing in research focused on prevention. As an example, US Army Research Institute of Environmental Medicine (USARIEM) investigators, along with extramural collaborators, have an ongoing research program to better understand the physiological mechanisms underlying musculoskeletal injury risk potential and ways to mitigate that risk. They are identifying the mediators of muscle and bone repair, tissue adaptation, and biomechanical factors of injury and fatigue. USARIEM researchers are exploring the rehabilitation science applications for Wounded Warriors, the pathways involved in muscle recovery, as well as possible nutritional interventions.

The Performance Triad

The impacts of restful sleep, regular physical activity, and good nutrition are visible in both the short- and long-term. The Performance Triad is an initiative under the R2C Plan and central to the Army Medicine 2020 Campaign Plan which focuses on sleep, activity, and nutrition to improve readiness and health.

The Performance Triad is also a key element within the System for Health and one of the fundamental mechanisms to optimize performance, resilience, and health. The program is being piloted in three diverse Army units at: Joint Base Lewis-McChord, WA; Fort Bliss, TX; and Fort Bragg, NC. At these sites, we are equipping approximately 1,500 Soldiers with activity monitors, performing periodic assessments, and providing leaders with weekly activities to incorporate into training time. The primary objectives of the pilot, which concludes in May 2014, are to assess the reach, effectiveness, implementation, adoption, and programmatic achievements and gaps to inform and improve a broader implementation. The total cost to implement this pilot program, to include equipment, training materials, and data analysis is \$970,000.

The health and readiness of our Reserve Component Soldiers, where approximately 70% of our deployable medical assets are nested, is also a critical component of overall mission readiness. We have initiated a Performance Triad Pilot Program to begin in the RC in 2014.

The Performance Triad is not just for Soldiers. The US Army Public Health Command (USAPHC) will launch a parallel Total Army Family program to improve the performance and health of all Army Medicine beneficiaries. The Performance Triad not only supports improved strength, endurance, power and physical performance, it also seeks to support emotional and mental health and well-being.

Only 1-2 percent of Americans including Active Duty Soldiers achieve ideal cardiovascular health due to barriers associated with lifestyle behavior. As an invited participant in the Army Surgeon General Performance Triad Campaign, the Integrative Cardiac Health Project (ICHP) Cardiac Center of Excellence at Walter Reed National Military Medical Center (WRNMMC) develops, evaluates and implements new models of personalized cardiovascular health for the military population primarily via lifestyle behavior change. Cardiovascular disease remains the leading cause of death for military beneficiaries, accounting for 1 of every 3 deaths. It also serves as is the leading healthcare-related cost to the MHS. Data also shows that Wounded Warriors with amputations are at significantly increased risk for cardiovascular compared to non-injured service members. ICHP is the only Center of Excellence that specifically addresses these obstacles related to healthy living in the military.

Since the initial launch at the former Walter Reed Army Medical Center in 1999, the ICHP continues to provide expertise and experience in healthy behavior modification in the military population. In collaboration with Johns Hopkins University, ICHP recently created a new, no-cost clinical-decision support tool to better identify cardiovascular disease risk in an individual patient. This tool not only allows for providers to detect disease at an earlier stage but also has proven to help increase awareness in patients with family history of premature heart disease. This research has been recognized nationally and cited as evidence for the new 2013 American Heart Association Clinical Guidelines for Prevention. Supporting the MHS strategic focus on health rather than on disease, ICHP continues to translate evidence-based research findings into clinical practice and is synchronized with Army Medicine's movement to improved health.

A Call to Action, A Case for Change

The health of the military and the health of the Nation are not separate discussions. Both the National healthcare conversation and the direction of the MHS directly impact Army Medicine. The Nation's current disease-centric healthcare system focused on treating illness adversely impacts health and is a driver for the rising cost of care.

Our Nation's Soldiers come from our citizens. Only 25% of young adults in the prime recruitment age of 17-24 years-old are eligible for military service, while the remaining 75% disqualify due to weight, other medical conditions, fitness levels, criminal history, or failure to graduate from high school. Based on current trends, the health problems in American youth are projected to increase. The youth of today are less prepared for entry-level military physical training than their predecessors, and poor physical conditioning is associated with higher injury risk in those qualifying for military service. If large numbers of possible recruits are ineligible to serve, and poor activity and nutrition impact the readiness of those that do enter military service, then the issue is not only a matter of national health but also a matter of national security.

Behavioral Health

The longest period of war in our Nation's history has undeniably led to physical, mental and emotional wounds to the men and women serving in the Army – and to their Families. The majority of our Soldiers have maintained resilience during this period; however, the Army is keenly aware of the unique stressors facing Soldiers and Families today, and continues to address these issues on several fronts. Taking care of our own—mentally, emotionally, and physically—is the foundation of the Army's culture and ethos.

The AMEDD anticipates sustained growth in behavioral health (BH) needs, even as overseas contingency operations decrease. The Army's continued emphasis to reduce the stigma for Soldiers and Families seeking help will result in increased BH workload. The growth in demand drives an increased investment in BH services from FY14 to FY15, for a final total of \$375M.

More Soldiers with Post Traumatic Stress Disorder (PTSD) have accessed BH each year since 2003, and we have over 104,844 diagnosed cases of PTSD from 2003 through February

2014. Of those Soldiers who have been diagnosed, approximately 84% of cases have deployed. The lessons learned from military medicine's experience over the last decade have informed the broader medical community, not just the BH community, about the processes and characterization of trauma-related events.

The Army has aggressively extended access to BH care through screening programs, and has optimized the system of BH care to efficiently deliver evidence-based treatment. Over the last few years, we have established a BH Service Line (BHSL) to coordinate standardized BH delivery across the enterprise, and integrate BH staff under one department head at over 90% of our MTFs. Critical to this effort has been the standardization of clinical BH programs, from around 200 locally managed to 11 enterprise programs that best form a cohesive system. This integration reflects the best-practices at leading civilian institutions and enhances multidisciplinary teamwork and efficient care delivery.

While stigma and reluctance to seek BH care still exists among Soldiers, far more are using outpatient BH services to receive care earlier and more frequently. Greater demand increases BH requirements, requiring higher provider inventory and resourcing support. MEDCOM has taken several steps to increase the number of touch-points, specifically through enhanced screening throughout the Army Force Generation (ARFORGEN) cycle and by increasing the availability of BH care as part of routine practices at the Soldier level.

Subsequently, the Army implemented Embedded Behavioral Health (EBH) across the Force in October 2012 and MEDCOM will complete the process in October 2016. As of January 2014, 37 Brigade Combat Teams (BCT) and 14 other brigade sized units are supported by EBH Teams. As a direct result, utilization of BH care increased from approximately 900,000 encounters in 2007 to almost 2 million in 2013.

As Soldiers have used outpatient BH care more frequently to address their issues, fewer acute crises have occurred. In 2013, suicides in Active Duty Soldier ranks fell from 165 to 126, and the rate of Active Duty Army suicides decreased from 27.9 per 100,000 person-years of Active Duty in 2012 down to 23.7 per 100,000 in 2013. In addition, Soldiers required approximately 25,000 fewer inpatient psychiatric bed over the same time period, a cost avoidance of approximately \$28M. Moreover, these better outcomes drive increased

acceptability of the value of BH care, driving down stigma, resulting in more Soldiers willing to engage in an episode of care, while driving up demand and resource requirements.

Approximately half of all Army suicides have a history of a documented BH diagnosis, and nearly 1/3 were seen for BH care within the 30 days prior to death. This does not indicate a failure of BH care, but rather the fact that the highest risk individuals are often the ones who engage in BH treatment. The MEDCOM strategy of prevention focuses both on the general population of all Soldiers and Soldiers accessing clinical services, including BH care, and is consistent with the new Department of Veterans Affairs (VA)/DoD Clinical Practice Guideline for the Management of Patients at Risk for Suicide. We target three domains: screening and risk assessment, education and public awareness, and treatment. Army Medicine has demonstrated success by looking at ways to bring healthcare and education to the foxhole, allowing us to increase accessibility, visibility, and ultimately trust, while decreasing the stigma and time spent away from the unit.

It is also important to improve how we monitor progress, particularly during points of transition. The scientific literature indicates that creating a common understanding of the clinical progress between both the provider and patient improves adherence to care and increases the chances that Soldiers will complete a full course of treatment. The Army developed the Behavioral Health Data Portal (BHDP), which is a web-based application that tracks and reports in real-time on the Soldier's treatment progress at each session. The BHDP tracks clinical outcomes and satisfaction in BH clinics, thus enabling improved analysis of treatment and BHSL program efficacy. BHDP is now in use at all MTF BH clinics (including EBH clinics) serving Active Duty Soldiers with over 30,000 data collections per month. This innovative program was the 2013 Government awardee of the Excellence in Enterprise Information Award from The Association for Enterprise Information, and it has been identified by the DoD as a best practice. In September 2013, the DoD required all Services to adopt BHDP to standardize outcome collection across the Armed Forces.

The Office of the Army Surgeon General established the Mental Health Advisory Teams (MHAT) in 2003 at the request of the Multi-National Corps-Iraq Commander. Since that time, 12 MHAT missions provided a broad scope assessment on a recurring basis in deployed environments (combat, peacekeeping, humanitarian). The reports proved to be an effective tool

for assessing point-in-time BH care needs and trends in mental health and morale in our troops. Results from MHATs, and the ongoing examination of in-theater BH issues, have led to numerous evidence-based recommendations that have impacted policy regarding dwell time and deployment length, improved distribution of BH resources to improve access to care, and modified the doctrine of the Combat and Operational Stress Control.

As a Nation, we have learned that BH issues such as PTSD can be well-managed with proper care. Approximately 80% of Service Members with PTSD return to productive and engaging lives. The Army seeks to further understand and improve the prevention, diagnosis and treatment of BH conditions through clinical and scientific research. The BHSL is fully funded, having obligated \$323M in FY 13; distributed \$358M in support of BHSL efforts in FY 14 and estimated a requirement of \$375M in FY 15.

Tele-health

The Army is providing tomorrow's medicine today through the use of Telehealth (TH). Army clinicians currently offer care via TH in multiple medical disciplines across 18 time zones and in over 30 countries and territories. Army TH provides clinical services across the largest geographic area of any TH system in the world. This enables the Army to cross-level clinical care capacity across the globe in support of our Soldiers and their Families. Using TH, the Army provided over 34,000 real-time patient encounters and consultations between providers in garrison in FY13, and over 2,300 additional encounters in operational environments. While Army provides care via TH in 28 specialties, Tele-Behavioral Health accounts for 85% of total TH volume in garrison and 57% in operational environments, and over 2,000 portable clinical video-conferencing systems have been deployed to support Behavioral Health providers across the globe.

Funding for our TH investments is \$21.4M in FY15, and we look forward to continued and accelerated growth of TH in support of our beneficiaries.

Dental Readiness

No military unit can afford the loss of manpower and readiness due to medical circumstance that can be mitigated or treated. During the recent war years, the value of our

dental capability to improve dental health and wellness in order to prevent issues that could negatively impact the fighting strength cannot be overlooked. As a system that has always demonstrated that the majority of influence, both positive and negative, occurs in the dental care an individual maintains at home, dentistry has long been a model of a System for Health.

Dental wellness continues to increase primarily due to standardization of clinical processes with the Go First Class combined appointments. Since 2011, dental readiness has increased to 93%, and almost half of all Active Duty Soldiers have no dental needs beyond routine daily care and cleaning. The Army dentistry rationale is to aggressively improve Dental Wellness today to prevent a Dental Readiness issue tomorrow. In FY15, we invested \$1.4M for community oral health and disease prevention.

A Ready Medical Force

Our direct care delivery system, the “bricks and mortar,” is America’s medical readiness system for the Services. It is the daily delivery of care that allows us to maintain our healthcare providers’ critical skills that guarantee a ready and deployable medical force capable of providing the critical life-saving care to our deployed Service members. The front lines of health care in a garrison setting are in the patient centered medical home and the military treatment facility. It is in these facilities that we sustain these critical skills during the inter-war years.

Theater-prepared healthcare providers require professional and operational development, which begins in our garrison medical facilities. In the last two wars, AMEDD Operating Forces provided 70% of combat casualty care within the theater of operation, and 20 of the 35 AMEDD healthcare provider specialties have deployment rates of greater than 75%.

Within our Graduate Medical Education (GME) programs, we continue to attract and educate some of the best medical minds. We currently have 1,621 Health Professionals Scholarship Program students in medical, dental, veterinary, optometry, nurse anesthetist, clinical psychiatry and psychiatric nurse schools; in our GME training programs we have 1,465 trainees invested in 148 programs located across 10 of our MTFs. Our training programs receive high praise from accredited bodies, and our trainees routinely win military-wide and national level awards for research and academics. Our GME graduates have continued to exceed the national average pass-rate of 87% for specialty board certification exams, with a consistent pass

rate of approximately 92% for the last 10 years. Overall, we not only have the largest training program in the military; we have the largest number of programs under one system in the US, and although they are not accredited under one institution, the administration of the residents occurs under a single sponsoring system of the AMEDD.

At the AMEDD Center and School, the flight paramedic training program that was initiated in 2012 has trained a total 124 flight paramedics, with a significant first time pass-rate of over 93%, well above the 74% pass-rate in the civilian sector.

Our educational investments have been recognized nationally. The Army Medicine's Physical Therapy Program at Baylor University is currently the 5th ranked program in the country out of over 210 national programs; our graduates have a 100% licensure pass rate in the past 3 years and have advanced the science through numerous peer-reviewed journal article publications. US News and World Report most recent survey of graduate schools ranked the US Army Graduate Program in Anesthesia Nursing (USAGPAN) as the number one program in the Nation out of 113 nursing anesthesia programs.

Developing Leaders – Building Capacity and Character

The Army calls upon each of us to be a leader, and Army Medicine requires no less. The Army defines leadership as a process, not as a position. Leadership is about influencing people by providing purpose, direction, and motivation, all while accomplishing a mission. Like the Army line branches, AMEDD leader development requires approximately 16 years of specialized military and medical training.

Army Medicine has capitalized on our leadership experiences in full spectrum operations while continuing to invest in relevant training and education to build agile, confident, and competent leaders. We have examined our leader development strategy to ensure that we have clearly identified the knowledge, skills, and attributes required for successful AMEDD leadership. In alignment with the Army Campaign Plan, the AMEDD has included a fourth line of effort (LOE) in the Army Medicine 2020 Campaign Plan – *Develop Leaders and Organizations* to address the full spectrums of leadership from leader development, talent management and organizational development.

The AMEDD Officer Leader Development (OLD) Implementation Team convened in June 2013 to work 5 strategic initiatives and 29 recommendations identified from the AMEDD OLD Evaluation. The team examined leader development within the AMEDD holistically, focusing on the institutional, operational and self-developmental domains. Presently, 19 of the 29 recommendations are complete or transitioning to appropriate organizational proponents for final completion. The remaining 10 long term recommendations are continuing to move forward.

Army Medicine must grow our Soldiers by leveraging the AMEDD OLD Evaluation, reemphasizing and redesigning Leader Development programs to include Professional Military Education, and taking an active role in ensuring success throughout the ranks of tomorrow's future leaders. Our Army requires agile and adaptive leaders, both military and civilian, who thoroughly understand their role in mission command. Army Medicine represents a powerful workforce of competent, adaptive and confident Leaders capable of decisive action. The MEDCOM will adapt to the unfolding strategic environment by ensuring all leaders receive quality training, education, and broadening experiences.

Within the AMEDD, our recruitment, development and retention of outstanding medical professionals – physicians, dentists, nurses, ancillary professionals and administrators – remain high priorities. With the support of Congress, through the use of flexible bonuses and competitive salary rates, we have been able to meet most of our recruiting goals. Yet we recognize that competition for medical professionals will grow in the coming years, amidst a growing shortage of primary care providers and nurses. I am proud to command some of the brightest medical minds – both military and civilian – our country has to offer. The young men and women who choose to enter military service or serve our Nation's military as civilians during a time of war exemplify what it means to provide selfless service to our country.

Sexual Assault/Sexual Harassment Prevention

Our Force is becoming increasingly diverse, and as opportunities to be leaders and influencers continue to expand, it is important that Army Medicine continues to develop and shape our team members to serve honorably, to be good stewards of the Army Profession, to be respectful leaders, and to provide respectful and compassionate medical care. We must hold

each other accountable, consistent with the Army Ethic and Army Values, in a manner worthy of serving our Nation's Service Members.

Sexual assault and harassment go against Army Values; these acts degrade our readiness by negatively impacting the male and female survivors who serve within our units; it also negatively impacts other Soldiers exposed to this behavior. As an integral participant in the Army's Sexual Harassment/Assault Response and Prevention (SHARP) program, the AMEDD's goals are to increase the medical readiness of the Army and ensure the deployment of healthy, resilient and fit Soldiers, through compassionate and respectful care that treats every patient with dignity and respect, Army Medicine is establishing the benchmark to comprehensively support victims and survivors following a sexual assault.

Across our Army, 40% of our MTFs perform the Sexual Assault Forensic Exam (SAFE), and the remaining MTFs augment care through memorandums of agreement (MOA) or understanding (MOU) and contract services with local civilian hospitals to ensure all victims are offered a uniform standard of care in compliance with the standards and protocols established by the Department of Justice (DOJ). We are actively engaged with the office of the Assistant Secretary of Defense for Health Affairs to ensure our program meets the requirements of the National Defense Authorization Act for FY 14 in this area.

The MEDCOM Sexual Assault Task Force is assisting the Army SHARP Program Office to revise the MEDCOM Regulation regarding management of sexual assault. The revised regulation includes guidance to Command Teams and health care providers that expand and enhance how they respond to patients following a sexual assault. Engaging the patient in an individualized health care plan is a key component. Additionally, the regulation emphasizes the provision of timely, accessible and comprehensive medical management to victims who present at Army MTFs and all of the necessary follow up care. In addition to immediate medical needs, care includes assessment of risk for pregnancy, options for emergency contraception, risk of sexually transmitted infections, behavioral health services or counseling, and necessary follow-up care and services for the long-term.

Army Medicine is leaning forward to expand the knowledge and skills of our sexual assault examiners working in our MTFs, ensuring our ability to provide compassionate and

holistic support to these patients. The Army significantly increased and expanded the number of providers certified in sexual assault treatment to address the full spectrum of victim needs. Providers who serve the Army SAFE program as Sexual Assault Medical Forensic Examiners (SAMFE) include physicians, physician's assistants, advanced practice registered nurses, and registered nurses. MEDCOM has over 300 health care providers trained as SAMFEs, Sexual Assault Care Coordinators (SACCs) and Sexual Assault Clinical Providers (SACPs) and 398 Sexual Assault Response Coordinator (SARC)/Victim Advocate SHARP-trained personnel.

Although there is no nationally mandated standard for SAMFE providers, the Army Medicine training and examinations meet DOJ guidelines. We have developed a leading standard for SAMFE providers with assistance of national SME's and offices. Army Medicine is leading a national conversation on a SAMFE Leading Standard with the DOJ, US Army Criminal Investigation Command (CID), US Army Criminal Investigation Laboratory (USACIL), and the International Association of Forensic Nurses (IAFN). All Army SAMFE providers must complete MEDCOM's standardized SAMFE Training, based on the DOJ Training Standards. The Army is also working on a certification process, working through the challenges associated with supporting sexual assault victims in remote, austere, and OCONUS locations.

The Health of Our Families and Retirees: Patient Centered Medical Home

The Patient Centered Medical Home (PCMH) model for primary care is a key enabler of the transition to a System for Health and the MHS Quadruple Aim: readiness, population health, experience of care, and per capita cost. A medical home relies upon building enduring relationships between patient and provider, and a comprehensive and coordinated approach to care between providers and community services. By redesigning health care delivery around the patient, primary care truly becomes the foundation of health and readiness, and drives the desired strategic outcomes.

PCMH represents a fundamental change in how we provide comprehensive care for our beneficiaries – involving primary care, behavioral health, clinical pharmacy, dietetics, physical therapy, and case management. Since PCMH implementation began in January 2011, 120 PCMH practices caring for 1.2 million Soldiers and Families have completed standardized initial

implementation. Of these practices, 23 are the Soldier version of PCMH or the Soldier Centered Medical Home (SCMH), caring for 200,000 Soldiers. In 2013, 64 new PCMH and SCMH practices were added. The remaining 25 practices will complete initial implementation by end of FY14.

The FY15 core budget for PCMH is \$73.6M, which is inclusive of efforts to build a premier patient-centered, team-based, comprehensive System for Health. Additionally, an FY15 investment of \$21.4 million to PCMH for TBI/Psychological Health adds BH providers to PCMH, enhancing access to care and making BH care a part of the larger medical home.

The medical home actively integrates the patient into the healthcare team, offering evidence-based prevention and a personalized comprehensive care plan. PCMH/SCMH health and quality indicators outperform traditional primary care providing significantly better access to the beneficiaries' primary care manager (PCM) and PCM team, better patient and staff satisfaction, and improved health and readiness outcomes. In addition, PCMH showed significant reductions in ER over-utilization by more than 47,000 visits, translating to an estimated \$16.4M in variable cost savings. These improvements relative to traditional primary care were maintained despite the relative challenges created by sequestration.

SCMH practices achieved remarkable impact on Soldier medical readiness during 2013. Of the Soldiers in the SCMH, 92% are medically ready (a 3% increase), compared to 85% across the rest of the Army. Polypharmacy rate decreased to 2.6/100 enrollees from the benchmark of 4.8/100. The behavioral health admission rate was 21/1000, remaining lower than the benchmark of 30/1000.

The focus for Army PCMH in 2014 will be to complete initial implementation in the remaining PCMH/SCMH practices, integrating pain management capability and traumatic brain injury care more fully into PCMH/SCMH practices, continuing refinement and maturation among existing practices especially in their health promotions role.

Integrated with the PCMH as part of the comprehensive care team are the 19 USAPHC Army Wellness Centers (AWC), costing \$12.1M annually. The AWCs are demonstrating how a standardized holistic primary prevention strategy can greatly contribute to our ability to get ahead of disease. In FY 13, AWCs evaluated 15,200 individuals, including Active Duty (61%),

Family Members (21%), Civilians (10%), Reservists (2%), and Retirees (3%). In FY 14, four additional AWCs will be implemented. The AWCs have achieved an annual cost-avoidance in FY13 of \$1.2M.

Analysis of 3 years of data collected by the AWCs show that for the 2,400 individuals who had at least 1 follow-up visit for their Body Mass Index (BMI), 62% saw a statistically significant decrease in BMI (average 4% decrease). Of the 437 clients who had a baseline and follow-up test for maximal oxygen consumption (VO2 max), 60% saw a significant increase in VO2 max, with an average improvement of 15%. Current research indicates that a 2% to 3% reduction in weight is associated with clinically significant improvement in risk factors for chronic disease and a cost-avoidance of \$202/year per 1 point BMI decrease, and that an increase in VO2 max of the magnitude observed in the AWC data is associated with a decrease in the risk of all-cause mortality and cardiovascular disease.

Strategies to Enhance Efficiency of Direct Care

Increasing healthcare costs, the increasing burden of preventable diseases, and mounting fiscal pressures are driving the Nation to examine how we are delivering care, and how we incentivize and enable health. We need a stable fiscal platform in the MHS focused on prevention, while at the same time reducing costs and improving efficiencies.

We are implementing strategies to incentivize improved health outcomes. The AMEDD has had great success with the Performance Based Adjustment Model (PBAM) in improving both capacity and quality. The Army has reduced the Active Duty no-show rate for medical appointments from 11.6% to 5.2% in the past 36 months, increasing the efficiency of our medical system in supporting Soldier readiness.

Currently, the AMEDD is implementing the Integrated Resourcing and Incentive System (IRIS). IRIS focuses on 3 areas to further improvements regarding MTF performance: primary care enrollment, accountability tied to performance plans through a Statement of Operations, and strategic incentives that encourage prevention strategies. For FY 14, Army MTFs are being funded for primary care based on a capitated rate for their planned enrollment. IRIS also incentivizes recapture of primary care from the purchased care network. IRIS also pays the MTF

fee-for-service for primary care delivered to TRICARE Plus and other beneficiaries that are not enrolled to the MTF, providing additional motivation for our MTFs to recapture primary care.

There are 48 total incentive metrics within IRIS, with the goal being to align funding and incentives to enhance MTF value production. Army Medicine is moving the needle in the right direction – recapturing care, improving access to care, improving satisfaction, and improving quality of care.

“We recruit Soldiers, but re-enlist families.” – Army Family Programs

We must never lose sight of the fact that the most important formation in the Army is the Family unit. Army Medicine is setting the conditions to better understand the Army Family. Improving the health of our Army Families will improve the strength, performance, and readiness of the Soldier, and also establish an example for our Nation on a way forward to improve the health of communities.

The Community Health Promotion Council (CHPC) at each Army installation synchronizes programs between service providers (medical and garrison) and unit leaders. Health Promotion Officers (HPO), who are aligned with Senior Commanders, facilitate the CHPC process and coordinate R2C activities for command teams, unit leaders and SMEs across the installation in support of the health of the entire population.

Army Medicine is also establishing the Child and Family Behavioral Health System (CAFBHS) model that aligns with and supports the PCMH model and other primary care Family Member-oriented clinics, such as pediatrics and obstetrics. CAFBHS also leverages tele-behavioral health capabilities to enhance outreach to remote areas, create partnerships with on-post and civilian communities, standardize patient screening and assessment, and monitor through the BHDP. The CAFBHS blends best practices in consultation, collaboration and integration of BH care to meet the needs of the Army Family, improve access, and decrease stigma.

Just as we have placed BH providers closer to our Soldiers through the EBH program, a component of CAFBHS is the School Behavioral Health (SBH) program, where comprehensive BH services are available at DoD/installation-based schools to support military children and their Families. The SBH provides a continuum of care from prevention through early intervention to

BH treatment focused on improving academic achievement, maximizing wellness and resilience, and promoting optimal military/Family readiness. Currently SBH programs operate in 46 schools on 8 installations.

I want the story of the military Family to resonate throughout our Nation's history as an example of resilience – demonstrating the powerful impact that can be felt when we invest not only in the Soldier, but in the Family members, old and young, who support our heroes.

“Medicine is the only victor in War” – Army Medical Research

History is replete with examples of war serving as a catalyst for medical innovation and of battlefield medicine producing advances in civilian healthcare. For more than 200 years, the Army's efforts to protect soldiers from emerging health threats have resulted in significant advances in medicine. Our medical research has played a key role in our national defense throughout history, continually responding to emerging battle and non-battle threats, capturing lessons learned, and sharing those advances with the world. Military medicine continues to work to reduce morbidity and mortality resulting from devastating injuries on the battlefield, achieving the historically high survivability rate of 91.3% in the current conflict.

MRMC is leading Army Medicine in scientific research, with ongoing efforts focused on establishing more effective methods for diagnosis, treatment, and long-term management of the health-related consequences of war, including TBI, behavioral health care, PTSD, burn and other disfiguring injuries, chronic pain, and limb loss.

The DoD and the Services plan, program, budget and execute funding to address DoD and Service military medical Research, Development, Test and Evaluation (RDTE) needs and requirements for supplies, equipment, and medical knowledge unique to the battlefield. To accomplish this mission, the Army and DoD coordinate with the other Services and federal agencies to target and align research efforts. The military also partners with academia and industry to develop medical solutions for warfighters and military healthcare providers. As a business model, MRMC and the US Army Medical Research Acquisition Activity (USAMRAA) provide multiple avenues to foster relationships and to award grants and contracts to institutions focused on performing medical research and development. For example:

- In 2008 MRMC established the Armed Forces Institute of Regenerative Medicine (AFIRM), a multi-institutional, interdisciplinary network with two academic consortia, one led by Wake Forest University, the other by Rutgers University, working to develop advanced treatment options for our severely wounded Service Members. The AFIRM II 5-year, \$75M award in September 2013 to the Warrior Restoration Consortium under Wake Forest University is focused on extremity injury, cranio-maxillofacial injury, burns/scar-less wound healing, composite tissue transplantation, and genitourinary/lower abdominal reconstruction.
- Army Medicine is also conducting critical research to improve treatment of battlefield injuries. Investments for treating battlefield eye trauma include research to develop novel and improved ocular wound dressings that can be deployed into theater and applied or administered immediately following blast, burn or chemical trauma to the eye, designed to deliver therapies to control infection and promote wound repair, mitigating the deleterious effects of eye injuries.
- The US Army Institute of Surgical Research (USAISR) received clearance from the US Food and Drug Administration (FDA) for the Burn Resuscitation Decision Support System-Mobile (BRDSS), also called Burn Navigator, the first of its kind algorithm-based decision assist system for use in managing fluid resuscitation of severely burned patients. Designed with the medical providers in mind who may be forward deployed who do not routinely care for burn patients, the technology has been shown to improve patient outcomes with more accurate early fluid resuscitation.
- In September 2013, researchers unveiled the world's first thought-controlled bionic leg. Funded through the MRMC's Telemedicine and Advanced Technology Research Center (TATRC) and developed by researchers at the Rehabilitation Institute of Chicago Center for Bionic Medicine, this prosthetic advancement was highlighted by the New England Journal of Medicine because the type of technology was previously only available for arms.
- The diversity of operational medical challenges and environmental health threats that will increase with a change in focus to the Asia-Pacific must continue to fuel our research efforts. The DoD has a history of coordinating the capabilities of our Army and Navy

overseas medical research laboratories and our major stateside laboratories, such as the Walter Reed Army Institute of Research (WRAIR) and the US Army Medical Research Institute of Infectious Diseases (USAMRIID), as platforms for infectious disease research with the National Institute of Allergy and Infectious Diseases (NIAID) of the National Institutes of Health (NIH).

- In October 2013, reports of the successful trials that could produce the world's first malaria vaccine led the headlines of international news. Malaria has been a significant medical threat in every major US military conflict during the 20th century. Results of the phase III malaria vaccine trial being conducted in Africa were presented at the 6th Multilateral Initiative on Malaria Pan-African Conference by the principal investigator at US Army Medical Research Unit-Kenya (USAMRU-K). This success gives hope that a vaccine will be available by 2015.
- For the first time in more than 25 years, the FDA has approved an additional red blood cell storage solution. Hemerus Medical LLC, in partnership with the US Army Medical Materiel Development Activity, received FDA approval for a whole blood collection system that has been approved for six-week red blood cell storage. Research not only yields materiel products such as equipment and pharmaceuticals, but it also provides “knowledge” products, such as new clinical practice guidelines (CPGs) and protocols. The Joint Trauma System (JTS), located at the US Army Institute of Surgical Research (USAISR), has collected data from more than 130,000 combat casualty care records from Iraq and Afghanistan and will continue to provide guidance in the form of CPGs. The Joint Theater Trauma System, which was developed in Iraq by the US Central Command (CENTCOM) surgeon’s office, is being considered for applications in the Asia-Pacific and possible adaptation for future missions anywhere in the world.

We need to continue making deliberate, resource-informed decisions to ensure we meet the needs and challenges of today while preparing for tomorrow. While we owe it to this generation of Soldiers and Families to help them deal with the consequence of war, long after the last Soldier departs Afghanistan, we also owe the next generation of Soldiers the best that our research and development can offer.

The Future of Military Health

We are at our best when we operate as a joint team. Together with Dr. Woodson, the Service Surgeons General are working to organize and lead the MHS into the future by building a stronger, even more integrated team. Our integrated approach to battlefield medicine has had great successes, and this enhanced integration of our capabilities, collaborating to provide care, is leading to a stronger, more relevant military health system for the future. Our commitment is to achieve greater unity of effort, improve service to our members and beneficiaries, and achieve greater efficiency through rapid implementation of common services and joint purchasing, as well as other opportunities for more streamlined service delivery. The President's Budget for FY15 adequately funds Army Medicine to meet the medical mission. We will continue the collective work of optimizing policies and processes across the MHS to advance our transformation to a System for Health.

Military medical care is one of the most valued benefits our great Nation provides to its Service Members. We understand that we cannot ask our beneficiaries to share more of the cost of healthcare without also looking within to streamline. The rising cost of healthcare coupled with the increasingly constrained defense budget presents a challenge to the MHS. In doing our part, Army Medicine is developing innovative and effective ways to deliver care in a resource constrained environment while integrating health and readiness into everything we do.

The establishment of a Defense Health Agency (DHA) in October 2013 represented a major milestone towards modernization and integration of military medical care. Army beneficiaries constitute 49% of the inpatient and outpatient workload in the MHS, and Army Medicine fully supports the ongoing structural and governance reforms within the MHS to better serve our population. The DHA implementation is key to reducing the growth of health care costs, reducing variance, recapturing workload, and improving standardization of clinical and business processes. Implementation has included successful transition of 6 shared services to the DHA, and the AMEDD will continue to drive the fundamental changes within the MHS.

The FY 15 President's Budget includes proposals for a TRICARE Consolidated Health Plan along with modest increases in beneficiary out-of-pocket costs for Active Duty families, Retirees and their families, and RC members and their families. These proposals reflect the DoD

efforts to modernize and simplify the TRICARE program that will place the program on a stable, long-term footing. Army Medicine joins our Army Chief of Staff in supporting the 2015 Budget the President has put forward. These cost savings are essential to ensuring that our beneficiaries continue to receive the high quality care they deserve. It represents a responsible path forward to sustaining the Military Health benefit in a changing world and recognizes that the fiscal health of the country is a vital element in our National security. This change will be successful if it is combined with health initiatives and fully capitalizing on the readiness platform in our direct care system.

The budget being put forward reflects our commitment to the broad range of responsibilities of the MHS; the medical readiness requirements needed for success on the battlefield of today and tomorrow; the patient-centered approach to care that is woven through the fabric of MHS; the transformative focus of the System for Health for our population; the public health role we play in our military community and in the broader American community; the reliance we have on our private sector health-care partners who provide indispensable service to our Service Members and their Families; and our responsibility to deliver all of those services with extraordinary quality and care.

The Road Ahead

We have an enduring obligation to the men and women in uniform, to their families who serve with them, and to the retired personnel and families who have served us in the past. For those who have borne the greatest burden through injury or disease suffered in our Nation's conflicts, we have an even higher obligation to the wounded and to their families. Some will need our care and support, as will their families, for a lifetime.

We will not lose sight of this obligation in our inter-war years, and will work aggressively to ensure we maintain robust combat casualty care skills and maintain trust with the American people. Our Nation's sons and daughters in uniform deserve nothing less than the level of support and capability we provided during our years in Iraq and Afghanistan.

In closing, though we live in uncertain times, one thing is certain - a strong, decisive Army will be – as it always has been – the strength of our Nation. I am proud of Army medicine's proficient, professional and courageous performance of mission over the last 238

years to help our Soldiers, Families and Veterans. In partnership with the DoD, my colleagues here at the panel today, the VA, and the Congress, we will be prepared for tomorrow's challenges. Thank you for the opportunity to tell the Army Medicine story. Thank you for your continued support of our total Army Family.

The Army Medicine Team is proudly Serving to Heal, and Honored to Serve.

TESTIMONY OF VADM NATHAN

Mr. FRELINGHUYSEN. Admiral Nathan, welcome.

Admiral NATHAN. Thank you, sir.

Chairman Frelinghuysen, Ranking Member Visclosky, distinguished members of the subcommittee, I am grateful for the opportunity to appear before you today on behalf of the dedicated men and women of Navy Medicine. We want to thank the committee for your outstanding support and your confidence. I can report to you that Navy Medicine and our team is mission-ready in delivering world class care anywhere any time.

Navy Medicine OPTEMPO remains high, protecting, promoting, and restoring the health of Sailors and Marines deployed around the world, ashore, and afloat in all warfare domains above the sea, on the sea, under the sea, and on the land. We exist to support the operational missions of both the Navy and the Marine Corps. These responsibilities require us to be an agile, expeditionary medical force capable of meeting the demands of crisis response and global maritime security.

Within Navy medicine, our planning efforts must always be synchronized with the Navy and Marine Corps. Our way forward reflects purpose and commitment to build on the work and investments we made last year. Our strategic goals remain as they did, readiness first, value and jointness. The goals are critical to sustaining our readiness mission, remaining flexible in the face of changing operational requirements and fiscal challenges as well as effectively managing our resources. They also leverage the use of technology and telehealth, help standardize clinical and business processes and improve alignment.

Throughout Navy Medicine, our leaders are achieving measurable progress on these goals, and I am encouraged that these priorities are taking hold throughout our enterprise. By leveraging the capabilities of our patient-centered medical home, Medical Home Port, and initiating our CONUS hospital optimization plan, we are moving more workload into our MTFs. We are growing our enrollment and we are rebalancing staff and reducing overall purchase care expenditures. Just as importantly, we are ensuring that our graduate medical education programs remain second to none and that our provider teams sustain the clinical currency to always be battlefield ready.

The establishment of the Defense Health Agency is an important milestone for the Military Health System and our collective efforts to realize potential efficiencies and savings. Navy Medicine is working with the DHA in conjunction with our partners in the Army and Air Force, to ensure that rigorous business case analysis is conducted and validated for the shared services while we continue to focus on improved integration of health care, benefits, and services in the six enhanced multiservice markets.

Strategically, I am convinced that we are stronger as a result of our work with the other Services, our interagency partners, leading academic and private research institutions, as well as other civilian experts. These collaborations are essential. They are important as we leverage efficiencies and best practices in clinical care, research,

education, global health engagement, and supporting our wounded servicemembers in their recovery and ultimately in their transition.

Psychological health is an important component of overall force health protection. We recognize that prolonged operational stress can have significant and potentially debilitating consequences. We continue to embed mental health capabilities in operational units and primary care settings in order to identify and manage issues before they manifest to psychological problems. This priority extends to suicide prevention efforts where we train Sailors, Marines, and their families to recognize operational stress and use tools to manage and reduce its effects.

As leaders, we have renewed our emphasis on ensuring that we focus on every Sailor every day, particularly those in transition, who may be facing personal and professional adversity. We know that an increasing sense of community and purpose is an important protective factor in preventing suicide. We must remain ready and accessible to those who need our help. These are transformational times in military medicine. There is much work ahead as we navigate the important challenges and seize the opportunities to keep our Sailors and Marines healthy and maximize the value for all of our patients and leverage our joint opportunities.

I am encouraged with the progress we have made, but I am not satisfied. We continue to look for ways to improve and remain on the forefront of delivering world class health care anywhere, any time. Again, thank you, sir, and I look forward to your questions.

Mr. FRELINGHUYSEN. Thank you, Admiral Nathan.

[The statement of Vice Admiral Nathan follows:]

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THE HOUSE COMMITTEE ON APPROPRIATIONS

STATEMENT OF
VICE ADMIRAL MATTHEW L. NATHAN, MC, USN
SURGEON GENERAL OF THE NAVY
BEFORE THE
SUBCOMMITTEE ON DEFENSE
OF THE
HOUSE COMMITTEE ON APPROPRIATIONS
SUBJECT:
DEFENSE HEALTH PROGRAM

April 2, 2014

NOT FOR PUBLICATION UNTIL RELEASED BY
THE HOUSE COMMITTEE ON APPROPRIATIONS

Chairman Frelinghuysen, Ranking Member Visclosky, distinguished Members of the Subcommittee, I am grateful for the opportunity to appear before you today and update you on Navy Medicine, including our priorities, opportunities and challenges. On behalf of the 63,000 dedicated men and women of Navy Medicine, we want to thank the Committee for your outstanding support and confidence. I can report to you that the Navy Medicine team is mission-ready and delivering world-class care, anytime, anywhere.

Strategic Priorities, Alignment and Optimization

Navy Medicine is an integral part of the Navy-Marine Corps team, protecting, promoting and restoring the health of Sailors and Marines around the world – ashore and afloat – in all warfare domains. We exist to support the operational missions and core capabilities of both the United States Navy and the United States Marine Corps. These responsibilities require us to be an agile, expeditionary medical force capable of meeting the demands of crisis response and global maritime security. In this regard, the Chief of Navy Operations has articulated, directly and succinctly, his “Sailing Directions” tenets - *Warfighting First, Operate Forward and Be Ready*. These tenets are particularly relevant as we navigate current and emerging challenges. Navy Medicine stands ready as we move forward at this pivotal time in our history.

Within Navy Medicine, our strategic planning efforts are synchronized with the Navy and Marine Corps. The Navy Medicine 2014 Charted Course reflects purpose and commitment to build on the work and investments we made last year. Our overarching strategic goals are:

Readiness: We provide agile, adaptable, and scalable capabilities prepared to engage globally across the range of military operations with maritime and other domains in support of the national defense strategy.

Value: We will provide exceptional value to those we serve by ensuring highest quality through best health care practices, full and efficient utilization of our services, and lower care costs.

Jointness: We lead Navy Medicine to jointness and improved interoperability by pursuing the most efficient ways of mission accomplishment.

The goals are critical to sustaining our readiness mission, remaining flexible in the face of changing operational requirements and soundly managing our resources. They also leverage the use of technology and telehealth, help standardize clinical and business processes and improve alignment. We are ensuring that our investments and objectives are targeted to support these strategic goals and serve as a foundation for our initiatives. Throughout Navy Medicine, our leaders are achieving measureable progress and I am encouraged that these priorities are taking hold throughout our system.

In this fiscal environment, we understand the demands facing all of us and we remain committed to deriving best value from the resources provided to us. We are working diligently to optimize our system, implement efficiencies and reduce purchased care expenditures for our enrolled patients. I continue to make recapturing private sector health care a priority for our military treatment facility (MTF) commanders and commanding officers. We are carefully tracking metrics that give us insight into our purchased care expenditures to help us manage and

optimize our system. Navy Medicine is moving more workload into our MTFs, growing our enrollment and reducing the overall purchased care expenditures. I am encouraged by the progress we are making in this important area and will continue to address this issue as a key strategic initiative throughout 2014.

We are grateful to the Committee for continued support of our resource requirements especially given the overarching fiscal uncertainties. The passage of the Consolidated Appropriations Act of 2014 provides us with stability for planning and execution of our requirements for this fiscal year. The President's Budget for FY2015 continues to adequately fund Navy Medicine to meet its medical mission for the Navy and Marine Corps. We also support the changes to TRICARE contained in the President's Budget, including initiatives to simplify and modernize the program through the Consolidated Health Plan, and update beneficiary out-of-pocket costs with modest increases. These changes to the program are important to ensuring the delivery of sustainable and equitable health care benefits.

Nonetheless, we did face the uncertainties and associated challenges with sequestration during the past year. We remained committed to delivering the health care services to our beneficiaries. We worked to channel the required sequester cuts in FY2013 to facilities sustainment and modernization, equipment purchases, contracts and travel. However, the cumulative effects of these reductions must be carefully assessed as we look to recapture workload and make needed investments in our facilities. In addition, we are carefully watching the impact on recruiting, retention and morale of our civilian personnel following the furlough and government shutdown in 2013.

Navy Medicine is committed to achieving the Department of Defense (DoD) objective of preparing auditable financial statements and reports. Becoming audit ready will demonstrate to our stakeholders that Navy Medicine is an accountable steward of the resources we receive and help support our decision makers with ready, accurate and timely information. We developed, refined and deployed our standard operating procedures for multiple business processes and initiated corrective actions when indicated. This strategy of process documentation and remediation has strengthened internal controls and improved resource management. Although we have made substantial progress, much work still remains to achieve audit readiness and to sustain improvements.

The establishment of the Defense Health Agency (DHA) on October 1, 2013 is an important milestone for military medicine and our collective efforts to realize potential efficiencies and savings throughout the Military Health System (MHS). All of us recognize the opportunity this represents to standardize our practices and drive out complex variation, while maintaining clear lines of authority necessary to support each Service's operational requirements. Efforts to improve integration of MTFs and purchased care networks (TRICARE) continue with implementation of six enhanced multi-service markets (eMSMs). Navy Medicine is working with the DHA, in conjunction with the Army and Air Force, to ensure that rigorous business case analyses are conducted and validated for the shared services while we continue to focus on refining five-year business plans and improved integration of health care benefits and services in the six eMSMs. Our collective efforts should culminate on generating efficiencies and savings

within the MHS through continued health plan integration and the development of the next TRICARE contract.

Looking to FY2015, the standup of the DHA included assumptions about workload and cost savings. While the dollar reductions were largely in the private sector account, the assumption of increased workload was placed on MTFs with the expectation of no increased resource demands. As described above, we are hard at work to do everything possible to ensure that the Navy MTFs improve production and reduce cost.

Integrated and comprehensive primary care delivery is foundational to a quality health system. It is also critical to our efforts in improving the health and wellness of our beneficiaries, and achieving best health outcomes at the lowest cost. Medical Home Port (MHP) transforms the delivery of primary care to an integrated, team-based approach offering same day access, proactive prevention services and standardized clinical processes. It also includes expanded health care teams including behavioral health providers and access to pain management specialists. Nearly all of Navy Medicine's 780,000 total MTF enrollees are now receiving care in a MHP. In addition to primary care, Navy Medicine is expanding patient-centered, integrated care to the specialty and inpatient areas through Medical Neighborhoods. All of our MHP practices have applied for National Commission for Quality Assurance (NCQA) recognition. To date, 80 percent have been reviewed by NCQA and obtained recognition, while the remaining practices are currently awaiting results. Of those to receive recognition, 93 percent have received NCQA's highest level of recognition. These results are a full 10 percent higher than the average scores for civilian practices.

We tailored the MHP model for the operational community so that all Sailors and Marines receive the same patient-centered benefits. There are nine demonstration project sites - six for Marine-Centered Medical Home (MCMH) and three for Fleet-Centered Medical Home (FCMH) - all of which will enhance access between patients and their health care team. The teams also integrate behavioral and psychological health care providers to improve medical readiness. In 2014, we plan on expanding MCMH to 16 additional sites and FCMH to 15 additional sites.

We are employing key information technology tools to improve the efficiency of health care delivery. Every MHP team can communicate with their patients through interactive and secure electronic messaging. This capability improves communication, access to care, continuity and patient satisfaction while reducing in-office visits. In addition, we collaborated with the other Services to create and deploy standardized Tri-Service work flow templates to enhance clinical operations and care documentation aligned with evidence-based guidelines.

As our MHP practices continued to mature over the past year, we have seen favorable trends in key metrics including:

- Navy Medical Readiness Indeterminate status decreased 14 percent;
- Access to acute appointments improved 19 percent as Primary Care Manager (PCM) continuity increased 12 percent, to an all-time high of 65 percent;
- Emergency Department utilization decreased by 12 percent;

- The number of beneficiaries utilizing secure messaging increased 50 percent and now exceeds 200,000 patients sending over 20,000 messages per month.

In order to leverage our MHP capabilities and support our strategic priorities, we implemented the Navy CONUS Hospital Optimization Plan that will impact nine of our hospitals in the United States. These proactive efforts are directly focused on improving readiness and value, as well as enhancing our graduate medical education (GME) programs. Changes in medical practice, including the migration to more outpatient care and shifts in populations, required us to carefully examine how health care was delivered and resourced. We used a population-based approach to establish targeted MTF enrollment and realignment of inpatient capabilities consistent with higher concentrations of our beneficiaries and greater patient acuity. After the realignment is completed, it will allow us to expand MHP enrollment, optimize inpatient capacity, recapture workload and ensure that our training programs remain second to none and our provider teams sustain the clinical currency to always be battlefield ready.

Telehealth capabilities will continue to be important in employing the power of health information technology in delivering outstanding care, without the barriers of time and distance. To ensure that we are taking advantage of telehealth opportunities throughout Navy Medicine and within the Military Health System, I established a program management office within the Bureau of Medicine and Surgery, along with two regional project offices at Navy Medicine East (Portsmouth, VA) and Navy Medicine West (San Diego, CA). Naval Hospital Camp Lejeune initiated programs to support a broad spectrum of clinical services including pediatric subspecialty consultation, tele-ICU, tele-behavioral health, tele-insomnia, tele-neurology, orthopedic consult service, tele-pain, and Battalion Aid Station consultative service. Navy Medicine East is also initiating a large tele-radiology program to provide after-hours and subspecialty coverage throughout the region focused on improving the quality of care and saving resources. In addition, a Memorandum of Agreement was signed between Navy Medicine West and the Army's Pacific Regional Medical Command (PRMC) regarding collaboration on telehealth initiatives in the Pacific. WESTPAC Medical Alliance MTFs on Guam, Okinawa, and Yokosuka receive tele-critical care, tele-behavioral health, and provider-to-provider tele-consultations from PRMC. Moving forward, we will continue to identify telehealth opportunities for improving the health and readiness of our Sailors, Marines and families.

In addition to utilizing the most current technology, we know how important our facilities are to both patients and staff and we are grateful to you for your funding of our military medical construction requirements. In December 2013, a state-of-the art replacement hospital was opened onboard Marine Corps Base Camp Pendleton. Naval Hospital Camp Pendleton is responsible for providing health care to Marines, Sailors, their families and all our beneficiaries in their catchment area as well as patients from six large branch medical clinics and seven active-duty Regimental Aid Stations. Our newest Navy MTF has 42 staffed inpatient beds and an efficient ambulatory outpatient treatment capacity to serve our patients. Our Naval Medical Logistics Command (NMLC) played an integral role in outfitting this new facility with a state-of-the-art automated supply replenishment system using a 2-bin radio frequency-identification (RFID)-enabled supply system designed to minimize clinical involvement in supply chain

activities, reduce waste and streamline replenishment actions. Due to the hard work of a dedicated team, I am proud that Naval Hospital Camp Pendleton was delivered under budget and ahead of schedule.

Focus on Health

Force health protection is the core mission of Navy Medicine. We execute these responsibilities from the battlefield to the bedside, and in all domains in which Sailors and Marines operate. Despite the drawdown of forces in Afghanistan, our operational tempo remains high as Navy and Marine Corps forces operate forward throughout the world.

We continue to lead the NATO Multinational Medical Unit (MMU), operating at Kandahar Airfield in Afghanistan. During its mission, this unit provided world-class combat casualty care to our warfighters. While the number of active and reserve personnel serving at the MMU has been reduced to approximately 133 from 250 last year, they are continuing to execute their demanding responsibilities with skill and dedication. It serves as the primary trauma receiving and referral center for all combat casualties in Southern Afghanistan and has 12 trauma bays, four operating rooms, eight intensive care beds and ten intermediate care beds. The MMU's partnership with the Joint Combat Casualty Research Team provides the platform for the advancement of military medical research in the areas of pre-hospital enroute care, traumatic brain injury, hemorrhage acute care, as well as prevention, recovery and resiliency.

Our operational commanders rely on Navy Medicine for rapid assessment and identification of hazards presenting potential health threats to our deployed personnel and recommendations for protective or control measures. The four Navy Environmental and Preventive Medicine Units (NEPMUs), often the first responders, are important to these efforts as they provide Navy and Marine Corps forces with specialized public health services including disease surveillance, environmental health, entomology, industrial hygiene, and audiology. The NEPMUs maximize the readiness of operational forces worldwide by identifying and assessing health stressors to our personnel created by their work and their deployment settings. Additionally, the physicians, scientists, and corpsmen at the NEPMUs can advise commanders on proper controls that should be implemented to maintain the health and well-being of service members.

Psychological health is an important component of force health protection. We recognize that prolonged operational stress can have significant and potentially debilitating consequences. The Navy's Combat and Operational Stress Control programs promote psychological health and advance the quality and delivery of mental health care. Our emphasis is on fostering resilience, providing aggressive prevention programs, reducing stigma and targeting early recognition of stress problems. We are also working with our Navy and Marine Corps line counterparts in ensuring that combat and operational stress control concepts are being taught throughout the leadership training continuum.

We continue to embed mental health capabilities in primary care settings and operational units in order to identify and manage issues before they manifest as psychological problems. We have mental health providers assigned to a variety of operational units including aircraft carriers, Marine Corps infantry regiments, special operations commands and in a variety of other settings

including deployed Amphibious Readiness Groups. The Behavioral Health Integration Program (BHIP) in our Medical Home Port continues its implementation. Currently, 43 BHIP sites are established with the remaining 36 scheduled to be implemented by the end of FY2014. This initiative integrates behavioral health into primary care and can help improve access and reduce the stigma of seeking help.

As we approach the conclusion of America's longest conflict, we must remain vigilant to the psychological health issues that will continue to emerge. Navy Medicine is at the forefront in identifying and implementing best practices and is actively engaged in research efforts to better understand, diagnose and treat injuries related to combat and operational stress. Our Psychological Health Pathways (PHP) pilot program, an initiative to standardize clinical care and assessment practices in tandem with a web-based registry, is collecting outcome measures at 21 clinics across the Navy and Marine Corps. Over two million data points have been collected in this registry and are being used to provide critical patient information to providers, as well as aggregated data for leaders. In the coming months, the lessons learned from PHP will be employed to roll-out a similar system for tracking behavioral health treatment outcomes. The Navy will join the other Services in implementing the Behavioral Health Data Portal (BHDP), which will provide standardization in our attempts to supply behavioral health providers with real-time outcome data to better inform treatment and tailor interventions to the individual patient.

We also recognize the challenges that our service members face as they transition from the military. Our Navy Medicine case management team is comprised of 235 nurses, social workers, and support staff who work diligently to assist our beneficiaries to achieve wellness and autonomy through advocacy, communication, education, and identification of service resources.

Family support programs are important to our efforts in building resiliency, developing sound coping skills and managing stress. One of our most successful continuing efforts is the Families Over Coming Under Stress (FOCUS) program which has reached over 435,325 service members, family members, and providers since its inception in 2008. Through program briefings and outreach presentations, consultation, skill-building groups, and family resiliency training, FOCUS has enhanced resilience and decreased stress levels for active duty members and their families. Outcomes have shown improvements in parent and child psychological health (including reductions in depressive and anxiety symptoms over time), improved family adjustment, and improved quality of marriage.

The Navy and Marine Corps Reserve Psychological Health Outreach Program (P-HOP) provided over 13,000 outreach contacts to returning service members and provided behavioral health screenings for approximately 3,300 reservists in FY2013. They also made over 700 visits to reserve units and provided presentations to approximately 72,000 reservists, family members and commands. Similarly, over 1,800 service members and their loved ones participated in Returning Warrior Workshops (RWWs). RWWs assist demobilized service members and their families in identifying immediate and potential issues that often arise during post-deployment reintegration.

Navy behavioral health providers are trained in evidence-based treatment for trauma-related disorders, including PTSD. This trauma may result from combat, sexual assault, or other events. Our mental health providers must be trained and ready to support whenever they are called upon. In the wake of the tragic mass shootings at the Washington Navy Yard on September 16, 2013, Navy Medicine activated our Special Psychiatric Rapid Intervention Team (SPRINT). The team was on site the day of the shooting and provided behavioral and emotional support services to the victims over the next 12 days.

In 2013, Navy Medicine initiated a standardized process to assess traumatic brain injury (TBI) programs and care at all Navy MTFs. The overarching goal of this initiative is to ensure that the care provided to all patients is standardized, consistent and appropriate. This initiative will also ensure that those involved in the provision of care adhere to identified best practice standards. We also developed four clinical algorithms for use in non-deployed settings which mirror the in-theatre TBI care system.

The TBI program at Naval Hospital Camp Lejeune (NHCL) became operational in August 2013 as one of nine proposed National Intrepid Center of Excellence (NICoE) satellites (two Navy sites and seven Army sites). Naval Hospital Camp Pendleton's TBI program also has an identified building site for their NICoE satellite in close proximity to the newly opened hospital. The NICoE satellites are designed to provide advanced evaluation and care for service members with acute and persistent clinical symptoms following a TBI. The satellites use a core Concept of Care - including a standardized staffing and treatment model - that was drafted jointly by all the Services, as well as the NICoE, the Defense Centers of Excellence for Psychological Health and TBI (DCoE), and the Defense and Veterans Brain Injury Center (DVBIC).

In theatre, the Navy continues to provide concussion care at the Concussion Restoration Care Center (CRCC) at Camp Leatherneck, Afghanistan. Since August of 2010, the CRCC has treated nearly 1,300 service members with concussion. CRCC patients have a 98 percent return to duty rate in an average of 9 days. All Sailors and Marines deployed "boots on the ground" are also required to complete post-deployment health assessments. Those who endorse any TBI-related symptoms are flagged to receive follow-up evaluation and, if necessary, treatment. Navy Medicine supplements the Post-deployment Health Assessment (PDHA) with an event-driven process, utilizing the TBI exposure tracking list generated from the DoDI 6490.11 (DoD Policy Guidance for Management of Mild Traumatic Brain Injury/Concussion in the Deployed Setting) to identify Sailors and Marines for additional follow-up.

Every suicide is a tragedy. It is a loss of a valued shipmate that impacts command cohesiveness – a loss the Navy and Marine Corps are determined not to accept. Preventing suicide is a command-led effort that leverages a comprehensive array of outreach and educational services. The number of active duty suicides in the Navy fell from 59 in calendar year 2012 to 44 in 2013; while USMC suicides declined from 48 to 45 for the same period. We remain cautiously optimistic as we combat this difficult problem. Preventing suicide requires each of us to actively participate and be engaged in the lives of our shipmates and colleagues. Education and prevention initiatives train Sailors to recognize operational stress and use tools to manage and reduce its effects. Mobile Training Teams teach Sailors resiliency and provide them

with tools to navigate stress and interrupt the path to suicidal behaviors. A-C-T (Ask – Care – Treat) - a bystander intervention tool - remains an important framework of response.

During FY2013, we completed an in depth review of Navy Medicine suicides that occurred during the previous two calendar years. This review was precipitated by a significant increase in the proportion of Navy suicides that were occurring within the medical community. Data from this review suggested that individuals who were in the midst of personal or professional transitions were particularly vulnerable to suicide. This finding prompted a renewed emphasis by Navy Medicine leadership on ensuring that we focus on every Sailor, every day, particularly those in transition or facing adversity. An increasing sense of community and purpose is an important protective factor in preventing suicide and we must remain ready and accessible to those who need help.

The Department of the Navy (DON) does not tolerate sexual assault and implemented comprehensive programs that reinforce a culture of prevention, response, and accountability for the safety, dignity, and well-being of Sailors and Marines. Navy Medicine provides compassionate, competent, medical care that is victim-centered, gender-sensitive and takes into account the reporting preferences of the individual. In support, Navy Medicine is committed to the success of the Sexual Assault Prevention and Response Program and to ensuring the availability of sexual assault forensic exams (SAFE) at shore and in afloat settings. SAFE providers are trained and available to ensure timely and appropriate medical care for sexual assault victims in all military platforms served by Navy Medicine. We established a comprehensive program to provide victims of sexual assault access to SAFE at both 24/7 MTFs and non-24/7 MTFs. The scope of this program extended to the operating forces at U.S. Fleet Forces and U.S. Pacific Fleet to provide the same level of training and care in maritime and expeditionary environments for victims of sexual assault. As of February of this year, 917 providers at our MTFs and operational platforms (surface, air, expeditionary and submarine) have been SAFE trained.

The 21st Century Sailor and Marine initiative is an important effort designed to maximize readiness, maintain resiliency and hone the most combat effective force possible. Included in this program are the following areas: readiness; safety; physical fitness; inclusion; and, continuum of service. This program provides alignment and unity of effort in several critical areas including suicide prevention, intolerance for sexual assault and harassment, and promotion of healthy lifestyles and work-life balance. Navy Medicine's programs on health promotion and education, tobacco-free living, excessive alcohol use prevention and nutrition directly support these important priorities.

Mission-Focused: The Navy Medicine Team

The fabric of Navy Medicine is our people – a team of over 63,000 men and women serving around the world in support of our mission. We are officers, enlisted personnel, government civilian employees, contract workers and volunteers working together in a vibrant health care community. We value the skill, experience and contributions of our personnel - all are vital to Navy Medicine's success in delivering world-class care around the globe.

We continue to focus on ensuring we have the proper workforce, aligned with the appropriate mix of recruiting, retention, as well as education and training incentives. We are grateful for your support of our special pays and bonus programs. I believe these incentives, along with a robust student pipeline, are important in sustaining our recruiting successes, ensuring healthy manning and retention levels and mitigating the risk associated with an improving civilian labor market for health care professionals.

In FY2013 Navy Recruiting attained 100 percent of the active component (AC) Medical Department officer goal and our overall active component officer manning is 99 percent, a ten-year high. Some shortfalls do exist, mainly due to billet growth and primarily in the mental health specialties. However, mental health provider manning continues to improve with psychiatry, clinical psychology and social work manned at 90 percent, 88 percent, and 58 percent, respectively. We project our social work manning to be over 80 percent by the end of FY2014.

Within the Navy Medicine reserve component (RC), we attained 75 percent of our officer goal. Recruiting RC Medical Corps officers remains a challenge. Given the higher retention rates in the AC, we rely more heavily on the challenging Direct Commission Officer market for our reserve physicians. While overall RC Medical Department manning stands at 91 percent, manning within the Medical Corps is 67 percent, with specialty shortfalls persisting in orthopedic surgery, general surgery and anesthesiology. Within the RC Nurse Corps, our stipend program as well as recruiting and retention bonuses have had a significant impact in improving manning for certified registered nurse anesthetists and mental health nurse practitioners.

Our AC and RC Hospital Corps enlisted recruiting attained 100 percent of goal for FY2013. Our AC enlisted manning is 100 percent, despite some shortages in key Navy Enlisted Classification Codes (NECs). Surface and submarine independent duty corpsmen (IDCs) are both manned at 90 percent, with our dive IDC manning currently at 86 percent. Fleet Marine Force reconnaissance corpsmen manning is 58 percent. Manning levels in this community are a direct result of special operations growth. We are utilizing special and incentive pays, along with increased recruiting efforts, to improve manning in this critical skill set. At the end of FY2013, our RC enlisted manning was 101 percent.

Navy Medicine's federal civilian workforce provides stability and continuity within our system, particularly as their uniformed colleagues deploy, change duty stations or transition from the military. Throughout our system, they provide patient care and deliver important services in our MTFs, research commands, and support activities as well as serve as experienced educators and mentors – particularly for our junior military personnel. As of the end of FY2013 our civilian end strength was 12,246, which is in line with our overall requirements.

Navy Medicine's Reintegrate, Educate and Advance Combatants in Healthcare (REACH) Program is an important initiative that provides wounded warriors with career and educational guidance from career coaches, mentoring from medical providers and hands-on training and experiences in our MTFs. We are committed to helping our service members with their recovery and transition and I am particularly encouraged by the opportunities that REACH provides for

careers in health care. REACH is now available at Naval Medical Center Portsmouth, Naval Medical Center San Diego, Naval Hospital Camp Lejeune, Naval Hospital Camp Pendleton, Walter Reed National Military Medical Center and Naval Health Clinic Annapolis. We have successfully transitioned eight wounded warriors into part-time positions at our MTFs and 70 recovering service members have enrolled in health care-focused college degree programs.

Navy Medicine is stronger as a result of our diversity and inclusion. We are a diverse, robust and dedicated health care workforce, and this diversity also reflects the people for whom we provide care. We take great pride in promoting our message that we are the employer of choice for individuals committed to a culturally competent work-life environment; one where our shipmates proudly see themselves represented at all levels of leadership. We will continue to expand our outreach to attract and retain diverse talent, ideas and experiences in order sustain our mission success.

Innovative Research and Development

Navy Medicine Research, Development, Testing, and Evaluation (RDT&E) is inextricably linked to our force health protection mission. Navy Medicine RDT&E priorities are operationally focused and include: traumatic brain injury and psychological health; medical systems support for maritime and expeditionary operations; wound management throughout the continuum of care; hearing restoration and protection; and, undersea medicine. In addition, these priorities fully support Navy Medicine's strategic goals of readiness, value, and jointness by developing products that preserve, protect, treat, or enhance the health and performance of Sailors and Marines. RDT&E efforts represent cost-effective, value-based solutions, and align with efforts from the others Services to avoid unnecessary duplication.

The Naval Medical Research Center (NMRC) and its seven subordinate laboratories (Naval Health Research Center, San Diego, CA; Naval Medical Research Unit-SA, San Antonio, TX; Naval Medical Research Unit-D, Dayton, OH; Naval Submarine Medical Research Laboratory, Groton, CT; Naval Medical Research Unit Two, Singapore; Naval Medical Research Unit Three, Cairo, and Naval Medical Research Unit Six, Lima) collectively form an RDT&E enterprise that is the Navy's and Marine Corps' premier biomedical research, surveillance/response, and public health capacity building organization.

Our researchers continue to make progress with some of our most challenging health issues including malaria. Experts from NMRC and other federal and industry partners published the results of a successful clinical trial of a new malaria vaccine. This is the first time 100 percent protective efficacy has been achieved in any clinical test of a candidate malaria vaccine. Malaria continues to present a major challenge to force health protection during operations in any environment where malaria is endemic. The results of these clinical trials offer significant promise for protecting the health our deployed service members and the world's population.

On September 20, 2013, Naval Medical Research Unit Two (NAMRU-2), Singapore, also designated Naval Medical Research Center – Asia (NMRC-A), officially opened its doors during a ribbon cutting ceremony at its new location at Navy Region Center, Singapore, inside the Port of Singapore Authority (PSA) Sembawang. This opening ended a lengthy transition that started

in June 2010 when the political situation in Indonesia forced NAMRU-2 out of Jakarta, Indonesia to become NAMRU-2 Pacific, at Joint Base Pearl Harbor-Hickam, Hawaii. In addition to the command, support and science operations now in Singapore, NAMRU-2 has a field activity in Phnom Penh, Cambodia that has grown from a small infectious disease surveillance operation in the mid-1990s to a full state of the art infectious diseases laboratory. NAMRU-2 supports its infectious disease surveillance, response, and capacity building efforts throughout Southeast Asia in cooperation with the Army's Armed Forces Research Institute for Infectious Diseases (AFRIMS) in Bangkok, Thailand. Last month, I had an opportunity to visit the NAMRU-2 and meet the outstanding staff as well as our military medical counterparts in Vietnam and Cambodia. I saw firsthand the outstanding international collaboration between our scientists and the high value infectious disease research being conducted. These efforts are important as we continue to develop partnerships and foster cooperation in the Asia – Pacific area.

Our Clinical Investigations Program (CIP) is an important component of the Navy Medicine research portfolio. Navy Medicine satisfies the requirements that exist for accreditation of post-graduate health care training programs through trainee participation in CIPs at our teaching MTFs. The clinical research is developed by our medical, dental, nursing and allied health sciences trainees. In FY2013, our MTFs conducted a total of 527 clinical research projects that resulted in 436 scientific publications. Our CIPs improve the quality of patient care and add to the global compendium of knowledge, as the findings were published in peer reviewed medical and scientific journals and presented at both national and international meetings.

Excellence in Health Education and Training

Education and training is critical to the future of Navy Medicine. We train our personnel to meet the current challenges of providing state-of-the-art health care and provide them with the skills sets to adapt and respond to ever-changing operational demands moving forward. In this regard, we advance the continuum of medical education, training and qualifications that enable health services and force health protection through innovative and cost-effective learning solutions.

Onboard the tri-service Medical Education and Training Campus (METC), the largest integrated medical training facility in DoD, Sailors are training side-by-side with Soldiers and Airmen. METC is impressive in scope and curricula as it now encompasses 51 programs of instruction, approximately 6,000 average daily student load, and over 21,000 graduates a year. With outstanding facilities, advanced educational technologies and a great faculty, METC is providing our corpsmen, and their Army and Air Force counterparts, with unmatched training opportunities. Last year, 4,392 corpsmen graduated from the METC Basic Medical Technician Corpsmen Program and 1,107 completed advanced training programs. Currently, approximately one-third of our hospital corpsmen are METC graduates.

Graduate Medical Education (GME) is critical to the Navy's ability to train board-certified physicians and meet the requirement to maintain a tactically proficient, combat-credible medical force. Robust, innovative GME programs continue to be the hallmark of Navy Medicine and I am pleased to report that despite the challenges presented by fiscal constraints and new accreditation requirements, our programs remain in excellent shape.

Our institutions and training programs continue to demonstrate outstanding performance under the Accreditation Council for Graduate Medical Education (ACGME). Board certification is a key metric of strong GME and the five year average first time board certification pass rate for our trainees is 93 percent. These results meet or exceed the national average in virtually all primary specialties and fellowships. We are watchful of developing trends over the next several years to include a highly visible institutional role in the accreditation process and oversight, increased emphasis on the ability to demonstrate a culture of safety and supervision in the accreditation of training programs and improved alignment between training and operational requirements.

Our education and training capabilities will continue to adapt and evolve to ensure we meet the demands of providing Navy Medicine personnel who are well-prepared and mission-ready.

Global Health Engagement

Navy Medicine is uniquely postured by our global health engagement (GHE) capabilities in security cooperation, health threat mitigation and force health protection to support the warfighter across the full range of military operations. These efforts are important in building relationships and increasing interoperability with our allies, international organizations, as well as inter-agency and non-governmental organization partners. They also improve readiness by providing unmatched training and experiential opportunities that will help assure our success in peace and at war.

We currently have Navy Medicine personnel dedicated to GHE activities across 90 countries in support of our Geographic Combatant Commanders and Naval Component Commands. In general, these personnel are engaged daily with host nation personnel and their counterparts throughout the country. This includes three primary overseas labs, two Health Affairs Attaché Offices in US Embassies, a comprehensive Defense HIV-AIDS prevention program working with 80 foreign militaries, and a network of ten liaison activities collaborating with international and inter-agency global health partners at home and abroad.

In addition, we are committed to providing humanitarian assistance and disaster relief (HA/DR) whenever and wherever needed. HA/DR is a core capability of Naval forces and enhances readiness across the full range of military operations. The Navy is well-suited for these missions because our expeditionary forces are on station and can quickly respond when crises arise.

Our hospital ships, USNS MERCY (T-AH 19) and USNS COMFORT (T-AH 20), are executing our Global Maritime Strategy by building the trust and cooperation we need to strengthen our regional alliances and empower partners around the world. MERCY and COMFORT are configured to deploy in support of missions globally including in Latin America and the Pacific. With each successful deployment, we increase our interoperability with host and partner nations, non-governmental organizations (NGOs) and our interagency partners.

As a result of sequestration, the Navy deferred Continuing Promise 2013, and the humanitarian deployment of COMFORT to Central and South America. However, since September 2013, Navy Medicine, in coordination with U.S. Pacific Fleet, has been supporting

the development of Pacific Partnership 2014. This year's mission is unique as the United States will be partnering with Australia and New Zealand aboard a Japanese ship to provide health assistance, subject matter expertise exchanges and other related activities

It is important to recognize that Navy Medicine personnel who participate in enduring humanitarian civic action (HCA) missions such as Pacific Partnership and Continuing Promise often describe them as life changing and I agree. Continued deployment of our hospital ships provide medical capacity building and care to thousands of people throughout the world. These experiences cannot be replicated and the benefits to our readiness and response capabilities are significant.

Collaborations

We are stronger as a result of our work with the other Services, interagency partners, leading academic and research institutions and other civilian experts. These collaborations are important as we leverage efficiencies in patient care, research, education and technology.

Navy Medicine has a long history of collaborating with the Department of Veterans Affairs (VA). We have unique collaborations and over 55 sharing agreements that benefit both Departments' beneficiaries, including the Captain James A. Lovell Federal Health Care Center (FHCC) in North Chicago. The FY2010 National Defense Authorization Act established a five-year demonstration project located at the FHCC which will be carefully assessed over the next year to support a report to Congress to help inform the future of this facility and the potential for similar ventures between DoD and VA. Our respective leadership teams are engaged at all levels and addressing important issues including health information technology interoperability, business and administrative processes, leadership opportunities and staff assignments. There is also an active FHCC Stakeholders Advisory Council comprised of local stakeholders from Veterans Service Organizations, community and university representatives, the managed care support contractor, and other key groups. Our priorities remain ensuring that our recruits, service members and beneficiaries have unimpeded access to high quality health care and in our staff maintaining their clinical skills in support of the readiness mission.

Another important collaboration with the VA is the Integrated Disability Evaluation System (IDES). IDES is in its fifth year as a service member-centric, DoD/VA program designed to transition wounded, ill, and injured service members to civilian life with no gaps in benefits or medical care between the DoD and VA. Navy Medicine has primary responsibility to oversee and implement the first 100 days of the IDES process, which includes both the Referral Phase and the Medical Evaluation Board (MEB) Phase. In collaboration with our VA counterparts, we met the 100-day MEB phase goal for 24 consecutive months for Navy service members, and 21 consecutive months for Marine Corps service members.

We established the Navy Medicine Records Activity (NMRA) on January 1, 2014, to collect and review all Service Treatment Records (STRs) of separating or retiring active and reserve component service members in the Navy and Marine Corps. Throughout our MTFs and operational commands, we are working together to ensure complete medical and dental documentation is included in the STR. NMRA ensures all STRs are complete by performing a

quality assurance check prior to being scanned into the Health Artifact and Image Management Solution (HAIMS) database for timely retrieval by the VA.

The Vision Center of Excellence (VCE) is a congressionally-directed DoD/VA Centers of Excellence. Navy Medicine is the Lead Component for the VCE and provides support operational support and oversight. The VCE continues to engage across the continuum of care in support of advances in vision rehabilitation through the development of recommendations for clinical assessment, management, rehabilitation, and referral of visual and oculomotor dysfunction, as well as visual field loss associated with TBI. The team is working to address the clinical challenges of visual dysfunction associated with TBI through various educational workshops and work groups. VCE experts have developed and implemented the Defense and Veterans Eye Injury and Vision Registry (DVEIVR) to combine DoD and VA clinical ocular information into a single centralized repository of data. DVEIVR will allow the VCE to provide longitudinal outcomes to enhance clinical best practices, guide research and inform policy.

Our Way Ahead

Navy Medicine remains fully engaged – at home and underway with the Fleet and Marine Forces. We are providing world-class care globally and operating across the entire dynamic – in the air, on and below the sea and on land. For us, this is a remarkable privilege and honor.

These are transformational times for military medicine. There is much work ahead as we navigate important challenges and seize opportunities to keep our Sailors and Marines healthy, maximize the value for all our patients and leverage joint opportunities. I am encouraged with the progress we are making but not satisfied so we continue to look for ways Navy Medicine can improve and remain on the forefront of delivering world-class care, anytime, anywhere.

TESTIMONY OF LT GEN TRAVIS

Mr. FRELINGHUYSEN. General Dr. Travis, thank you for being with us again.

General TRAVIS. Yes, sir. Thank you.

Mr. Chairman, Ranking Member Visclosky, distinguished members of the subcommittee, thanks for inviting me to appear before you today.

Our military forces in this Nation have benefited from the vast achievements Army, Navy, and Air Force medics have jointly made in deployed and en route care since the beginning of the current war. With this war winding down, and it is not done, even with our fiscal challenges, we now have a clear responsibility to make sure military medics are well trained and well prepared for whatever contingency the future brings to include combat operations, stability operations, humanitarian assistance, or disaster relief.

To enhance our core competency in the ground expeditionary mission or, in our case, the Air Evac mission, we must ensure that our providers continue to have robust opportunities to practice their skills and that we continue to pursue critical research and modernization initiatives for the future. We have very successfully leveraged civilian partnerships to maintain trauma skills readiness, and as this war subsides, I am convinced we will rely even more strongly on these relationships to help us train and conduct research.

As the way we fight wars evolves, the way we provide medical support for operators must also evolve. Airmen who are manning systems, such as distributed common ground stations, space and cyber operations, or remotely piloted aircraft, and those who operate outside the wire, such as security forces, Special Ops, and explosive ordnance disposal specialists, just as an example, all face distinct challenges. These types of injuries or stressors, both visible and invisible, to members and their families are also changing.

We must provide medical support in different ways than we have in the past to address what we describe as an expanding definition of operator and step up to our role as human performance practitioners. Not only will access and care be more customized for the mission, but so will prevention. For example, we have embedded mental health providers with the right level of security clearance in several remote warfare units to be readily available at the duty location to provide early intervention and care for those experiencing occupational stress that could affect their performance. These important operators may not otherwise have sought care.

The Air Force is committed to the Department's plan for reorganization of the Military Health System to include the establishment of the Defense Health Agency. There are many changes in the works for how we will operate, and you have heard some from my partners. We are excited to be fully engaged with our partners in this very tough work, and it is tough work, as we continually focus on providing trusted care and maintaining a fit, healthy, and ready fighting force.

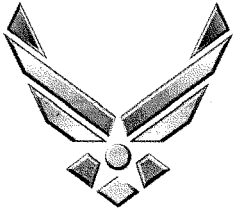
Personally, I have been in the Air Force for 37 years, first as a fighter pilot, and now for many years as a physician. In my career, I have never seen a time when it is more evident how important

military medicine is to the operational capability of this Nation. We have learned much, and our medics have performed magnificently. Even in the face of budget challenges, we have to be as ready at the beginning of the next war as we are now with the end of the current war. I think our Nation expects that.

Your continued support of Air Force medicine, military medicine, and our mission is greatly appreciated. Thank you for that support and for having me here today.

[The statement of Lieutenant General (Dr.) Travis follows:]

United States Air Force



Presentation

Before the House Appropriations
Committee, Subcommittee on Defense

Defense Health Programs

Witness Statement of
Lt Gen (Dr) Thomas W. Travis
Surgeon General, United States Air Force

April 2, 2014

Not for publication until released by the House Appropriations
Committee, Subcommittee on Defense

Defense Health Programs

April 2, 2014



BIOGRAPHY



UNITED STATES AIR FORCE

LIEUTENANT GENERAL (DR.) THOMAS W. TRAVIS

Lt. Gen. (Dr.) Thomas W. Travis is the Surgeon General of the Air Force, Headquarters U.S. Air Force, Washington, D.C. General Travis serves as functional manager of the U.S. Air Force Medical Service. In this capacity, he advises the Secretary of the Air Force and Air Force Chief of Staff, as well as the Assistant Secretary of Defense for Health Affairs on matters pertaining to the medical aspects of the air expeditionary force and the health of Air Force people. General Travis has authority to commit resources worldwide for the Air Force Medical Service, to make decisions affecting the delivery of medical services, and to develop plans, programs and procedures to support worldwide medical service missions. He exercises direction, guidance and technical management of more than 42,800 people assigned to 75 medical facilities worldwide.



General Travis entered the Air Force in 1976 as a distinguished graduate of the ROTC program at Virginia Polytechnic Institute and State University. He was awarded his pilot wings in 1978 and served as an F-4 pilot and aircraft commander. The general completed his medical degree from the Uniformed Services University of the Health Sciences School of Medicine, where he was the top Air Force graduate, and in 1987 he became a flight surgeon. For more than three years, General Travis was Chief of Medical Operations for the Human Systems Program Office at Brooks Air Force Base, Texas. He later served as the Director of Operational Health Support and Chief of Aerospace Medicine Division for the Air Force Medical Operations Agency in Washington, D.C.

Prior to his current assignment, Gen Travis served as Deputy Surgeon General, Headquarters U.S. Air Force, Washington, D.C. The general has commanded the U.S. Air Force School of Aerospace Medicine; 311th Human Systems Wing at Brooks AFB; Malcolm Grow Medical Center and 79th Medical Wing, Andrews AFB, Md.; and the 59th Medical Wing, Wilford Hall Medical Center, Lackland AFB, Texas. He also served as the Command Surgeon, Headquarters Air Force District of Washington, and Command Surgeon, Headquarters Air Combat Command, Langley AFB, Va. He is board certified in aerospace medicine. A command pilot and chief

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flight surgeon, he has more than 1,800 flying hours and is one of the Air Force's few pilot-physicians. He has flown the F-4, F-15 and F-16 as mission pilot and, the Royal Air Force Hawk as the senior medical officer and pilot.

EDUCATION

1976 Distinguished graduate, Bachelor of Science degree in biology, Virginia Polytechnic Institute and State University, Blacksburg
 1980 Master of Science degree in physiology, Virginia Polytechnic Institute and State University, Blacksburg
 1986 Doctor of Medicine degree, Uniformed Services University of the Health Sciences School of Medicine, Bethesda, Md.
 1991 Master of Science degree in public health, University of Texas Health Science Center, San Antonio, Texas
 1996 Air War College, by correspondence
 1999 Distinguished graduate, Master of Science degree in national resource strategy, Industrial College of the Armed Forces, Fort Lesley J. McNair, Washington, D.C.
 2000 Medical Capstone, Walter Reed Army Medical Center, Washington, D.C.
 2003 Federal Health Care Executive Course, Interagency Institute, George Washington U., Washington, D.C.
 2005 Capstone, Fort Lesley J. McNair, Washington, D.C.

ASSIGNMENTS

1. April 1977 - March 1978, student, undergraduate pilot training, Williams AFB, Ariz.
2. May 1978 - August 1978, student, fighter lead-in training, Holloman AFB, N.M.
3. August 1978 - February 1979, student, F-4 Replacement Training Unit, MacDill AFB, Fla.
4. February 1979 - June 1982, F-4 aircraft commander, 334th Tactical Fighter Squadron, Seymour Johnson Air Force Base, N.C.
5. August 1982 - May 1986, medical student, Uniformed Services University of the Health Sciences School of Medicine, Bethesda, Md.
6. July 1986 - June 1987, internship, Andrews AFB, Md.
7. July 1987 - July 1990, F-15 pilot physician, Langley AFB, Va.
8. August 1990 - June 1992, resident in aerospace medicine, Brooks AFB, Texas
9. July 1992 - April 1996, Chief, Medical Operations, Human Systems Program Office, Brooks AFB, Texas
10. April 1996 - June 1998, senior medical officer pilot, Royal Air Force School of Aviation Medicine, Farnborough, England
11. July 1998 - June 1999, student, National Defense University, Industrial College of the Armed Forces, National Defense University, Fort Lesley J. McNair, Washington, D.C.
12. July 1999 - July 2001, Director, Operational Health Support, and Chief, Aerospace Medicine Division, Air Force Medical Operations Agency, Washington, D.C.
13. July 2001 - February 2003, Commander, U.S. Air Force School of Aerospace Medicine, Brooks AFB, Texas
14. February 2003 - September 2005, Commander, 311th Human Systems Wing, Brooks City-Base, Texas
15. September 2005 - May 2006, Commander, 89th Medical Group, Andrews AFB, Md.
16. May 2006 - August 2006, Command Surgeon, Headquarters Air Force District of Washington, Bolling AFB, D.C., and Commander, 79th Medical Wing, Andrews AFB, Md.
17. September 2006 - August 2007, Command Surgeon, HQ Air Combat Command, Langley AFB, Va.
18. August 2007 - November 2010, Commander, 59th Medical Wing, Lackland AFB, Texas
19. November 2010 - July 2012, Deputy Surgeon General, Office of the Surgeon General, Headquarters U.S. Air Force, Washington, D.C.
20. July 2012 - present, Surgeon General, Office of the Surgeon General, Headquarters U.S. Air Force, Washington, D.C.

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FLIGHT INFORMATION

Rating: Command pilot and chief flight surgeon

Hours: More than 1,800

Aircraft flown: F-4, F-15, F-16 and Royal Air Force Hawk

MAJOR AWARDS AND DECORATIONS

Distinguished Service Medal

Legion of Merit with oak leaf cluster

Meritorious Service Medal with four oak leaf clusters

Aerial Achievement Medal

Air Force Commendation Medal

Joint Service Achievement Medal

Combat Readiness Medal

Air Force Recognition Ribbon

OTHER ACHIEVEMENTS

1994 Julian E. Ward Memorial Award, Aerospace Medical Association

1994 Unger Literary Award, Society of U.S. Air Force Flight Surgeons

1995 Paul W. Myers Award for outstanding contributions to Air Force medicine, Air Force Association

2003 Stewart Lecturer, Royal Aeronautical Society

2007 Marie Marvingt Award, French Society of Aerospace Medicine

2007 George E. Schafer Award, Society of USAF Flight Surgeons

2008 John D. Chase Award for Physician Executive Excellence, Association of Military Surgeons of the United States

PROFESSIONAL MEMBERSHIPS AND ASSOCIATIONS

Academician, International Academy of Aviation and Space Medicine

Member and former President, Society of U.S. Air Force Flight Surgeons

Member and former President, International Association of Military Flight Surgeon Pilots

Fellow, Aerospace Medical Association

Fellow and former Aerospace Medicine Regent, American College of Preventive Medicine

Life member, Association of Military Surgeons of the United States

Order of the Daedalians

Alpha Omega Alpha Honor Medical Society

EFFECTIVE DATES OF PROMOTION

Second Lieutenant June 2, 1976

First Lieutenant Dec. 2, 1978

Captain Feb. 25, 1982

Major Feb. 25, 1988

Lieutenant Colonel Feb. 25, 1994

Colonel May 31, 1998

Brigadier General Sept. 1, 2004

Major General June 2, 2007

Lieutenant General July 13, 2012

(Current as of July 2012)

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Chairman Frelinghuysen, Ranking Member Visclosky, and distinguished members of the Subcommittee, thank you for inviting me to appear before you today. The Military Health System (MHS) is a world-class health care organization, and the Air Force Medical Service is proud to be a full partner. We have successfully overcome many significant challenges since we last met with the Subcommittee, and greatly appreciate your strong support.

As the war draws down and the focus shifts to in-garrison care, it is tempting to compare the MHS to civilian health care organizations. But there is a cost associated with being prepared to execute our readiness missions, and no civilian healthcare system in the world can do what we do – and have done -- when called upon to provide deployed and en-route care. That is the one key message I hope to leave with you today. The AFMS remains closely linked with our Army and Navy colleagues in our efforts to achieve the MHS Quadruple Aim of Readiness, Better Health, Better Care, and Best Value – but Readiness is first!

The AFMS is committed to supporting the Line of the Air Force mission -- our “True North” -- maintaining a medical force that is trained and ready to deploy at a moment’s notice, but also aligned with our wings in support of their operational missions. We have logged an astounding 194,300 patient movements since 9/11, including transporting 7,900 critical care patients. We provided “care in the air” to more than 5,000 patients in 2013 alone, including almost 300 Critical Care Air Transport Team (CCATT) missions for the most seriously ill and injured. Recently, the Lung Team and one of our CCATTs transported the wife of a service member in need of a lung transplant on an Extracorporeal Life Support (ECLS) machine from Landstuhl, Germany to Joint Base Andrews, Maryland – the longest trip ever for transporting a critically-ill patient on ECLS who survived. Further research into use of the ECLS for the comprehensive treatment of combat casualties with single and multi-organ failure is underway at

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the Joint Battlefield Health and Trauma Institute by Air Force investigators. Our CCATT capability has allowed us to advance our practice of transporting only stable patients to a paradigm of en-route patient treatment that has become integral to health service support in joint doctrine.

As we strive for even greater survival rates, we've evolved our CCATT capability point-of-injury response. This provides more capable care further forward and more sophisticated in-transit support. Our Tactical Critical Care Evacuation Teams (TCCETs) provide damage control resuscitation on rotary-wing, forward-deployed fixed-wing, and tilt-wing aircraft, and have accomplished more than 1,600 critical care patient movements since we began the program in June 2011, many from point of injury. In an effort to ensure these teams are fully trained to provide continuous en-route critical care, we have partnered with the University of Cincinnati (UC) Medical Center to develop a TCCET course at the same location as our CCATT training. We have dedicated Air Force Medics on staff at UC to provide this training. We have similar trauma training partnerships with Baltimore Shock Trauma and St. Louis University for our ground-based expeditionary medical teams. These partner universities are each a Center for the Sustainment of Trauma and Readiness Skills, or C-STARS.

Our health response teams include rapidly deployable, modular, and scalable field hospitals that provide immediate care within minutes of arrival. The Expeditionary Medical Support Health Response Teams (EMEDS HRT) are successfully deployed as a part of our continuous evolution in medical response capabilities anywhere in the world. They provide immediate emergency care within minutes to hours of arrival -- surgery and intensive critical care units in place within six hours, and full capability established within 12 hours of deployment arrival.

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The training course at Camp Bullis, near San Antonio, was updated to provide more realistic training scenarios to prepare for disaster and humanitarian missions that may require pediatric, women's health, and geriatric care while maintaining the ability to use this capability in a wartime setting. This evolved expeditionary HRT capability was successfully demonstrated in Peru in 2012, and is on track to be fully deployed as a replacement of our previous generation of EMEDS by 2016.

The success of TCCET, CCAT, and EMEDS-HRT in expanding our capabilities relies on collaboration with our civilian partners in the areas of research, education and training, and provider currency. We are involved in some amazing state-of-the-art research in our major thrust areas of En Route Care, Force Health Protection, Expeditionary Medicine, Human Performance and Operational Medicine.

One fascinating example is the Airborne Laser Sensor project, a collaborative effort with U.S. Customs and Border Protection that uses an AF-developed airborne sensor flown on Air Force aircraft to sense and detect laser illumination of aircrew to determine the occupational health hazard from laser exposure. Another example is our partnership with the Battlefield Health and Trauma Research Institute and the San Antonio University Health System to conduct research on spinal fractures, blood transfusions, sepsis, burns, hemorrhagic shock, and compartment syndrome. In support of Human Performance and Enroute Care, our C-STARS faculty and civilian partners are studying the timing of aeromedical evacuation on the clinical status of combat casualties to help medical teams determine the best timing of evacuation to optimize health outcomes. While we have been very proud of our success in quickly returning patients to higher levels of care when required, the decision of when to move a patient must be

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data-driven, and our experience in the current long war should help guide such decisions in the future.

We also focus research on better care and health for Air Force families. For the past several years, Wright-Patterson AFB Medical Center, Nationwide Children's Hospital, and Dayton Children's Hospital in Ohio have teamed to develop protocols to identify autism spectrum disorder susceptibility genes and rare variants to allow early intervention, and have created the Central Ohio Registry for Autism. Many families have already benefitted from this ongoing research, and many more will.

Our C-STARS partnerships in Baltimore, Cincinnati and St. Louis provided critical trauma and CCATT training to our deploying medics during the war and will remain significant platforms. However, with the end of the war and drawdown of theater hospitals where readiness currency is at its highest, we need to expand our training opportunities in the pause between hostilities to ensure all of our personnel remain ready and current to care for our wounded warriors from point of injury to rehabilitation. We are transitioning to a layered, centrally managed platform emphasizing hands-on patient care, called Sustained Medical Airmen, Readiness Trained (SMART). SMART establishes a three-tiered approach where personnel at facilities of all sizes will train with a standardized curriculum using organic training opportunities, local training affiliation agreements with partnering hospitals, and, when necessary, regional currency sites to ensure required skills are preserved and staff is sustained in a trained and ready status. We anticipate our first class at a Regional SMART site to begin in September at Nellis AFB, Nevada, which is our alpha test site.

In another exciting new program, we have joined with the Uniformed Services' University of the Health Sciences (USUHS) to create an Enlisted to Medical Degree Preparatory

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Program (EMDP2). The program is designed to help highly motivated active duty enlisted to complete the coursework necessary to apply for medical school while on active duty. This two-year program serves as one component in a comprehensive plan to recruit a student body that mirrors the diversity of our nation and expands the pool for future top-notch military clinicians, leaders, and scholars. The Air Force and the Uniformed Services University have selected the first five candidates, who will begin their studies later this summer.

In addition to education and training, human performance initiatives are critical to optimizing performance of our personnel, especially as the definition of the “warfighter” has evolved. For example, Remotely Piloted Aircraft (RPA) and Distributed Common Ground System (DCGS) operators execute their core missions in garrison, requiring a shift in how we view and provide medical support. We have customized our medical support to meet the needs of Airmen performing these very stressful missions. Our medics are becoming Human Performance Practitioners – actively seeking opportunities to sustain, enhance, and optimize performance of Air Force personnel.

Lessons learned in support of Special Operations Forces through the Preservation of Force and Families initiative have improved our support of other “Battlefield Airmen” (for example, Combat Search and Rescue, Tactical Air Control Party, and Explosive Ordnance Disposal Specialists). Tailored physical therapy support, psychological support, and by-unit Primary Care Manager empanelment for these Airmen have allowed prompt identification of physical and mental disease, rapid treatment and aggressive case management/care coordination to return these Airmen to their elite, high-performing state. We are teaming the right specialties and support agencies to keep our Airmen at the top of their game. To do this effectively, some of our medics possess the level of security clearance required for them to be fully read-in on

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missions and challenges and, in some cases, to have office space where the missions are executed, which greatly improves access and trust.

Additionally, we are studying the operational and occupational health effects impacting personnel in Air Force-specific aircraft to determine risk of short term and potentially long-term neurocognitive deficits secondary to high altitude exposure and to develop methods to reduce prevalence of these injuries. Results of this work to date have directly impacted operational activities associated with the U-2 aircraft to mitigate health effects, and we will continue to monitor this population through ongoing research.

The success of our operational health initiatives relies on a strong foundation of in-garrison care. We continue to embrace the principles of Patient-Centered Medical Home (PCMH) to improve patient care, access and outcomes. We have attained all-time-high levels of provider and team continuity throughout 2013, while reducing emergency room utilization rates. We developed standardized support staff protocols to promote evidence-based practice, reduce variation, and enhance reliability by utilizing PCMH teams to their fullest capabilities. The protocols have also helped improve currency of our medics while creating access opportunities for our patients.

Likewise, we have achieved enhanced access through the continued deployment of secure messaging. This technology has now been launched throughout the AFMS and includes more than 305,000 enrolled users sending over 41,000 messages per month. This leading-edge communication tool provides an additional venue to meet patient needs without face-to-face appointments, and helps our patients partner with providers in the management of their care.

Last year we reported that we launched our telehealth initiative called Project ECHO (Extension for Community Health Outcomes) with one specialty (complicated diabetes

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management) serving three military treatment facility (MTF) pilot sites. Now in our second year, we have added chronic pain management, traumatic brain injury, behavioral health, dermatology, ENT and acupuncture for a total of seven live ECHO specialty series and are on track to add four more specialties areas (Addictions, Infectious Disease, Neurology and Dental) this coming year. We have expanded participation to include all Services and the Department of Veterans Affairs (VA). In addition, continuing medical education accreditation was granted for six of the seven ECHOs. Participating provider response has been overwhelmingly positive with a 17 percent increase in provider knowledge and confidence level in their management of these complicated patients, and an overall 95 percent approval rating in the ECHOs' value to their practice. Project ECHO is postured for MHS-wide adoption under the new Defense Health Agency.

Our patient safety program continues to be the bedrock of our healthcare operations. Patient safety managers collaborate with subject matter experts in risk management, clinical quality, customer service, professional staff management, compliance and accreditation to ensure we provide the highest quality care in the safest environment possible for our beneficiaries. The "Partnership for Patients" initiative was implemented by the MHS in 2013 ensuring that each MTF develop processes and programs to reduce risk to our patients related to 10 Healthcare Related Conditions. We successfully rolled out all of the implementation guidelines last year and are pleased to report that the AFMS has fully implemented all 119 elements.

The high quality of our care in our inpatient facilities is monitored and validated by, the Joint Commission (TJC), the leading accreditor of health care organizations in America. This past year three of our hospitals earned top accreditation honors by TJC for exemplary performance and were named among the nation's Top Performers on Key Quality Measures.

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The Joint Commission recognized these hospitals for their outstanding performance using evidence-based clinical processes that are shown to improve care for certain conditions, including heart attack, heart failure, pneumonia, surgical care, children's asthma, stroke and venous thromboembolism, as well as inpatient psychiatric services. Our facilities achieving top honors include the 96th Medical Group, Eglin Air Force Base, Florida; 48th Medical Group, RAF Lakenheath Air Base, England; and the 81st Medical Group, Keesler AFB, Mississippi.

World-class healthcare begins with disease prevention: We promote healthy behaviors and lifestyle choices to reduce illness and ensure a high quality of life for our Airmen and their families, resulting in a healthy, fit, resilient and productive force. We are targeting nutritional fitness, physical activity, healthy weight and tobacco-free living. Ten percent of active duty Airmen are obese. While this rate is much lower than the civilian average, we will continue to execute initiatives such as "Go For Green" – a food labeling system in military dining facilities that promotes healthy food choices. The Air Force has vigorously supported the National Prevention Council commitment to expand tobacco-free environments, and we are very encouraged by the results. Smoking in the Air Force has seen a steady decline; our current smoking prevalence of 14 percent is lower than the national average of 18 percent. But we will work to drive it even lower.

To increase resilience of deploying Airmen and reduce the likelihood of post traumatic symptoms, our Airman Resilience Training provides standardized pre- and post-exposure training and reintegration education, which we are now redesigning to be better tailored to specific groups of deployers. Even though Air Force rates of Post-Traumatic Stress Disorder (PTSD) remain relatively low compared to the other Services, we continue looking for ways to prevent or minimize symptoms.

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We have formally trained the majority of our mental health providers and all new social work and psychology trainees on evidence-based treatments for PTSD, and the Center for Deployment Psychology at the Uniformed Services' University offers ongoing provider training support. The Air Force continues to actively participate in joint and collaborative research projects with the U.S. Army Medical Research and Materiel Command, STRONG STAR and Penn State, looking at the effectiveness of treatments, biomarkers and the future of PTSD treatment. We believe these efforts will continue to pay huge dividends in the future.

The mental health of our Airmen and their families' remains an important focus area for us. We are continually striving to improve access to mental health care through initiatives such as Patient- Centered Medical Home-Behavioral Health (PCMH-BH), which embeds mental health providers within the primary care clinics of each MTF to offer a lower-stigma mental health care option for beneficiaries. Another initiative is Mental Health Integration, a demonstration project at two of our MTFs to evaluate placing full-service mental health capability in Primary Care, promoting early intervention, improved access, and continuity of care within the MTF. The deployment of video teleconferencing capabilities in our mental health clinics has also helped to address the needs of our patients. We stood up six hubs for tele-psychiatry services throughout the AFMS, providing important psychiatric consultation to MTFs without on-site psychiatry. Each of these resources support increased access while reducing the stigma of seeking mental health assistance.

Fortunately, the incidence of deployment-associated traumatic brain injury (TBI) has remained low for the Air Force. However, we remain committed to ensuring appropriate care for our Airmen who have sustained TBI through referrals to the National Intrepid Center of Excellence for Psychological Health and Traumatic Brain Injury, and to the many TBI programs

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throughout the Department of Defense (DOD). Our TBI Clinic at Joint Base Elmendorf-Richardson is engaged in cross-Service efforts to standardize and optimize TBI care within the DOD.

We remain concerned about suicides in the Air Force. In December 2013 we released an updated and refined version of “The Air Force Guide for Suicide Risk,” based on research and published best practices over the last 10 years. This document provides a resource of state-of-the-art knowledge for the clinical management of suicide-related ideation and behaviors, allowing better standardization of clinical assessment and treatment of at-risk patients. The new version adds references for cognitive behavioral treatments for suicidal patients. This valuable resource will assist the ongoing training of our mental health personnel; improve the quality of care provided to those at risk of suicide, and support effective consultation to Air Force supervisors of Airmen at risk.

Airmen and their families are our most important resource and in an effort to improve the care provided to Air Force Families, we have recently completed a comprehensive examination of the relationship between deployments and subsequent rates of family violence. We found that among deployers, the rate of spouse abuse and child maltreatment is about the same before and after deployment. We have also identified a few specific situations that place military families at higher risk for family violence and are targeting family violence prevention efforts to those families at risk.

We are also committed to ensuring quality, compassionate care for victims of sexual assault, through the Air Force’s Sexual Assault Prevention and Response Program. The Air Force has processes in place to perform Sexual Assault Forensic Exams (SAFE) either within the Air Force MTF, another nearby military medical facility, or through partnerships with civilian

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experts in the local community. We utilize sexual assault forensic examination training programs that comply with the standards established in the Department of Justice “National Protocol for Sexual Assault Medical Forensic Examinations.” In addition, we have designated executive level oversight at our MTFs, incorporated First Responder training requirements in the Major Command (MAJCOM) compliance inspection, and initiated a bi-directional information and communication link specific to sexual assault prevention and response, facilitating updates and answers to and from our MTFs. We stand ready to support every sexual assault victim with respect, compassion, urgency and professionalism.

Another area of concern is the impact of hearing loss on operational readiness and long-term quality of life. Hearing loss remains an easily overlooked occupational injury in service members and Veterans. As lead agent for the DOD Hearing Center of Excellence (HCE), the Air Force supports the efforts of the HCE to create better awareness of this pervasive injury through comprehensive hearing health programs. The HCE is finalizing the development of the Joint Hearing Loss and Auditory System Injury Registry and has established necessary agreements to access relevant DOD and VA data sources, standardize data collection, and manage data requirements. Initiatives are underway across the MHS and VA to improve hearing protection, standardize baseline and periodic hearing assessments across the Services, and establish engineering and acquisition best business practices that reduce hazardous noise at the source. Hearing loss is a mostly preventable disease, and both the operational and medical communities have a huge stake in preventing this injury.

The DOD Centers of Excellence are one of many areas where DOD and the Services work closely with the VA. As most of our military patients at some time pass through each other's doors, it makes sense to plan together and share resources where feasible. Our

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relationship with the VA also expands clinical currency opportunities for both entities. We have had great success through the DOD/VA Joint Incentive Fund; 46 percent of all joint incentive fund projects include Air Force MTFs.

One of the most successful projects is the Joint Vascular and Endovascular Surgical Services project at David Grant Medical Center (DGMC), Travis AFB, CA. Working with the Northern California VA Health Care System, millions of dollars have been saved in only two years and more than 350 VA and DOD patients have stayed in the federal care system. The vascular team at DGMC has embraced this initiative and enhanced their clinical skills with the increased patient load. In addition to efforts at DGMC, the Air Force has seen similar success at the Michael O'Callaghan Federal Medical Center (MOFMC), Nellis AFB, Nevada with their cardiac catheterization laboratory seeing both VA and DOD beneficiaries exceeding all early projections by approximately 20 percent. This project is only one of the sharing initiatives at this Joint Venture site.

Other successful sites include the 81st Medical Group at Keesler AFB, where their long list of Joint Incentive Projects include a Joint Cardiovascular Care Center that to date has seen a cumulative benefit of \$9.4M and sustains the clinical currency of the Air Force providers with the continued influx of VA patients. This is only one of the successes at the 81st Medical Group; others include a joint business office function that has the common goal is to reduce duplication of services, capitalize on respective core competencies, and optimize volume to deliver services safer and more economically.

Throughout the Air Force Medical Service, DOD/VA sharing has been implemented and is continually emphasized as a way to enhance the clinical currency of our providers as well as provide economic, high quality health care for both DOD and VA beneficiaries. Recent efforts

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at the 88th Medical Group, Wright-Patterson AFB, Ohio have resulted in a significant increase in the number of VA patients being seen at that location with anticipation that it will continue to grow in the future. Efforts at Eglin AFB, Florida are generating large increases in VA visits and surgeries and have made them the fifth largest sharing site in the AFMS. We will continue to push for more sharing at sites in close proximity to VA facilities and where there is an opportunity to care for VA patients in our MTFs.

The FY 15 President's Budget includes a proposal for a TRICARE Consolidated Health Plan along with modest increases in beneficiary out-of-pocket costs for active duty families, retirees and their families, and reserve component members and their families. These proposals reflect the Department of Defense's efforts to modernize and simplify the TRICARE program that will place the program on a stable, long-term footing.

Finally and importantly, the AFMS is united with our Army, Navy and DOD colleagues in support of the MHS governance reform efforts. The Defense Health Agency stood up in October 2013, and as of this date the first seven of 10 planned shared services have reached IOC. These include Facility Planning, Medical Logistics, Health Information Technology, TRICARE Health Plan, Pharmacy, Budget & Resource Management, and Contracting. The DHA is on target for the next group of shared services to reach IOC this year and full operating capability in October 2015. We remain fully committed to achieving reforms for best value and interoperability by seeking common solutions as we provide better care and better health to our beneficiaries.

In conclusion, despite the challenges we all experienced in the past year, the Air Force Medical Service continued to focus hard on providing operational support and high quality care around the globe, in-garrison and deployed, on the ground or in the air – that's what we mean by

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"Trusted Care Anywhere!" I am honored to lead and serve with Air Force medics during this very important time. But I am just as honored to partner with my Army and Navy colleagues as we move forward together to build an even better Military Health System. Thank you for your continued support of our critical mission.

Mr. FRELINGHUYSEN. Okay, thank you on all of our behalf. Before I yield to Ms. Granger, we pay tribute to the joint work that you have done in Afghanistan, but we still have 33,000 plus, actually, soldiers and Marines and Seamen, and you name it, Air Force personnel, over there. And if the public only knew what happens on the battlefield and the fact that those medics are right there to provide immediate transport within the golden hour to the incredible trauma hospital that does amazing things, the genius and the courage of the people who do that airlift, and then to land still where, you know, often parents are there wringing their hands and worrying from home, and then they are transported back to the Continental United States, is an incredible achievement. And statistics are human. The lives that have been saved, so I know on all of our behalf, we feel very strongly about the work you have done, and it is not over. We don't know exactly what our exit strategy is out of Afghanistan, but that in some ways makes it even more dangerous to be there. So it is good to know that you have personnel on the ground that do some remarkable things in the face of huge adversity.

Ms. Granger.

EXPERIMENTAL TREATMENTS FOR TBI AND PTSD

Ms. GRANGER. Thank you.

Thank you all for being here.

Dr. Woodson, I have a question. I had the opportunity to talk with Navy Seal Marcus Luttrell of all of the treatments he has received for traumatic brain injury and post-traumatic stress disorder. He told me the only treatment that worked for him he received at the Carrick Brain Centers, and last week, he told me, he said that was the first time he had been able to sleep all night since he was injured.

I went to visit Carrick and to see the treatment firsthand, and the results were just amazing. Carrick is a multidisciplinary brain rehabilitation center, and they combine evidence-based diagnostics with leading-edge technology and treatment to help people suffering from brain injuries due to physical or emotional trauma, and they use a very innovative approach that they explained to me re-trains the healthy part of the brain to take over the functions of the part of the brain that has been damaged.

My question, when we identify successful treatments like that, I think it is important that all of our servicemembers have an opportunity to benefit from them. But unfortunately, these treatments are labeled experimental, so TRICARE won't cover any of the cost. My question is, what needs to be done so that we can have those innovative treatments or treatments outside of the military to be available to all of the military? I think we are missing huge opportunities.

Dr. WOODSON. Thanks very much for that question, and I agree with your sentiments wholeheartedly.

Let me provide two brief answers to the question. Number one, I do think we need to develop a more flexible approach to bring evolving treatments and strategies more rapidly into the TRICARE plan, if you will. And in fact, we have been discussing this recently

because of other issues that have come up relative to new approaches to diagnostics.

One of the issues for TRICARE to deal with is that it is a defined benefit that kind of looks like an insurance product, and then so we are sort of limited sometimes by the Code of Federal Regulation in terms of this business of proof.

Having said that, I think the issue is it is time to work out a system where we can go ahead and provisionally cover these evolving practices and create more flexibility in the program, so I agree with you.

The second piece I would just say is that I agree with the treatment strategy that you have outlined, and through the National Intrepid Center of Excellence and additional sites that have been generously funded by the Fisher Foundation, we are incorporating just those same practices and making them available throughout the military for servicemembers with brain injuries.

Ms. GRANGER. Good. I think it is just very, very important. And I would say to anybody else that isn't familiar with it, I certainly was not familiar with it, but to visit that would be certainly worth your time. Thank you.

Thank you, Mr. Chairman.

Mr. FRELINGHUYSEN. Thank you, Ms. Granger.

Mr. Moran.

RISE IN HEALTH CARE COSTS

Mr. MORAN. Thanks very much, Mr. Chairman.

Dr. Woodson, as you know, the costs—I have a little cold, so excuse me—the cost of military healthcare has more than doubled over a little more than a decade now from less than \$20 billion, to almost \$50 billion. Now, the fees for TRICARE beneficiaries were set almost 20 years ago, and they haven't changed, even as the cost of health care has increased dramatically over time.

Over the last decade, CBO reports that DoD healthcare funding is far outpacing inflation, and costs are going to rise even further in the coming years. So what we see now is something that is beginning to squeeze our defense budget, is going to become ever more pronounced in the years ahead as we have more and more uniformed personnel returning from combat and the like.

You have proposed changes to TRICARE that are intended to incentivize a more effective and efficient form of using health care. Now, it is my understanding that the Department has substantial data that show that it is actually a fairly small percentage of TRICARE users that are termed super users of the system. They have much higher costs because they tend to use the most expensive forms of health care and do it far more frequently. For example, instead of seeing a nurse when their child has a cold, they go to the emergency room. That is done in civilian life, and it is done with DoD hospitals as well.

Now, could you share some of this data with the committee so that it may be possible to gain a better grasp of what is driving this dramatic increase in healthcare costs?

Dr. WOODSON. Sir, thank you very much for the question, and you have outlined a lot of very pertinent issues nicely. So, in 1990, the early 1990s, the Defense Health Program budget was about 4

percent of the base budget of the Department of Defense. And as you have outlined, since the year 2000, 2001, we have more than doubled from \$19 billion to a height of about \$54 billion in 2012. We have made some management changes and some program changes to save about \$3 billion per year, and our current budget that we are proposing of \$47.5 billion is about 4 percent below what the height was, basically, so we have made changes. But the issue is that we have still grown from about 9.5 or so percent of base budget, to just about 10 percent of base budget. So we are pedalling harder, but we are not catching up. And the reason is that over the course of TRICARE, of course, the fees have not gone up. Some fees have actually gone down, so the catastrophic cap which was \$7,000 when CHAMPUS was originally instituted when TRICARE came on board is now \$1,000, and there have been adjustments in other fees. And if you take it in real 2014 dollars, they have actually gone down.

So we are doing, I think what we should be doing in terms of management to make it as efficient as possible, but we do need to readjust the program to provide the incentives for the right utilization of care. Right now, particularly in the retiree, the working-age retirees who are in our TRICARE Prime program, they actually consume more resources, health care than sort of age-matched folks who have a civilian HMO program. So we do have substantial data that we need to revise the system to incentivize the right utilization of care but provide the access. It is really important that we bring a lot of these in line.

The other thing I would say is that as it relates to TRICARE, I think all of the stakeholders have tried to provide a very robust product for the beneficiaries, and they deserve it. But these have added costs, so TRICARE for Life, for example, was introduced and probably represents about 30 to 33 percent of the increasing cost over the early decade of the 2000, is a robust product but carries with it no cost share and no enrollment fee. And so what we have tried to do is not bring in draconian changes that produce a lot of out-of-pocket costs, but bring in modest costs that in fact will help produce a more enduring and efficient program.

WORKING AGE MILITARY RETIREES

Mr. MORAN. I appreciate that Dr. Woodson, but in Medicare, for example, we find that less than 20 percent of the beneficiary population incurs more than 80 percent of the costs. And I was just wondering if that doesn't apply to TRICARE as well.

But I have a followup question on this. I wonder if you have considered alternatives that increase the cost sharing for working-age military retirees because when I look at what you are doing, it is not going to relieve the pressure on the rest of the budget. It is going to affect force personnel and any number of other priorities. But often working-age military retirees will retire from the military but very quickly find work in the private sector, which is what we expect them to do. But they hold on to their TRICARE health plans because they are so much cheaper than any civilian health plan. So you have to wonder, wouldn't it make sense to have a tiered approach to cost sharing so as to protect the more vulnerable and younger less established beneficiaries?

Dr. WOODSON. Sir, that is a very good question and proposal, and you know, in years past, we have offered up tiered approaches to the cost share. And, you know, we certainly can look at that. I think what we have offered up this year is a proposal that modernizes the product, but also provides a better cost share. You know, when the program originally went into place, there was about a 27 percent cost share for working-age retirees. That now has fallen to about 9.3 percent.

Mr. MORAN. So it has dropped from 27 percent to 9 percent?

Dr. WOODSON. Yes, 9.3, yeah. And under our proposal, we readjust the fees so that they have about an 11 percent cost share. So we have moved in the right direction, and I appreciate the CBO report that you have mentioned in your statement, but we have tried tiered approaches before. We think that the proposal this time around gives the beneficiary something as we are asking them to pay a little bit more, which is a modern approach with fewer encumbrances. So the proposal this year removes this authorization of referrals, which has been a major dissatisfier for folks using the program. So they get something, even as we are asking them to pay a little bit more.

Mr. MORAN. I have used up my time.

Thank you, Mr. Chairman.

Mr. FRELINGHUYSEN. He needs an answer, I think a better answer to his question. If there are super users, is it a family with multiple issues? I think we need a better handle on that. But you will provide that information for us, or will follow up with some questions.

Mr. Kingston.

INCENTIVES IN HEALTH CARE UTILIZATION

Mr. KINGSTON. Thank you, Mr. Chairman.

Dr. Woodson, I wanted to continue along these lines that Mr. Moran brought up. I am wondering, and maybe you have done this, but have you ever looked at the testimony of, say, your predecessors as far back as 10 years ago to see what they did, what they said, because I don't say this critically because we are all a little bit guilty, but it is always this forward thinking, if we are going to do it robust, we are going to have the best quality healthcare. We are going to do this and that. And you know, I mean, your testimonies could have been written by Madison County ad people, and I just say that, again, not trying to be critical, but that is what we would have been hearing 10 years ago, regardless of who the administration is.

And I am wondering if there were some lessons that you can have somebody reach back and say, well, what is it they did? Because one of the things you said to Mr. Moran is that you are looking for ways to incentivize inside the VA. Why hasn't that been done? We have been hearing that, and as I understand, there is now legislation that allows people who have been less than performing to be fired. There is nothing revolutionary about that. But apparently, it takes legislation on it. And last year, this committee put on an amendment, and it passed the full floor of the House, that said if the VA did not clean up its backlog, there would be a 25 percent reduction in salary on the administration level.

So we are all, you know, united together to find that magic incentive, but I am just wondering what are the—what is keeping it from happening? And again, I am not directing this towards you, but towards all of us who have sat in these chairs over the years.

Dr. WOODSON. I don't know that I can speak for the Veterans Administration, but I do—would respond by saying that we have looked at all of the incentives and where the industry goes to try and promote wellness and modify behavior and trying to encourage the right use of health care. And those are incorporated in the proposal that we have put forward.

Mr. KINGSTON. And along that line, have you sat down with the VSOs, because I know that, in terms of the health care in the VA, it is still the same kind of issues that we are facing, but have you sat down with the VSOs to discuss this, and can you get their buy-in?

Dr. WOODSON. Well, we have engaged repetitively with the VSOs, and we know that they are not happy about increasing fees.

I will say that over the last few years as we have talked to them, one of the things that they have repetitively told us is that we needed to produce a more efficient administration to wring costs and inefficiency out of that. And I think we have responded to that with the establishment of the Defense Health Agency, which I think is historic, in trying to make sure that we have the most efficient, most effective, lowest-cost administrative organization as possible. So I think we have responded to it.

Mr. KINGSTON. And would you say that, say, 2 years from now, 3 years from now, there will be a difference that you can say, I did that, I have bent that cost curve, which Mr. Moran has mentioned? And again, it is astounding that since 2000, military personnel has decreased 10 percent, but the costs have doubled. And so I think that is why we are all frustrated about it. Because we all share the same goal. We want the quality, the best healthcare. It is extremely important to take care of our military personnel, but also this cost issue is just—

Dr. WOODSON. So in answer, direct answer to that question, yes, I can say that in the future, and actually now, we have started bending the cost curve. As I mentioned before, we are saving about \$3 billion a year, so we have Federal ceiling pricing. We have prospective payment system, readjusted programs to save millions, if not billions, of dollars. The pharmacy changes alone have yielded \$7 billion in the last 4 to 5 years. So we are working very hard, and that is why I mentioned before we are pedalling pretty hard, but even when we are doing that, because the top line of the Department of Defense is coming down, we become a greater percentage of the cost, and we compete in terms of training, manning equipment, and modernizing the force.

Mr. KINGSTON. Thank you.

Thank you, Mr. Chairman.

Mr. FRELINGHUYSEN. Thank you, Mr. Kingston.

Ms. McCollum.

MALARIA AND TROPICAL DISEASES

Ms. MCCOLLUM. Thank you, Mr. Chair, I am going to switch the topic here a little bit. You work with so much, you cover so much,

but one of the things that I have been interested in, and I mentioned with you my father had malaria, so kind of paying attention to those kinds of long-term diseases, and the effects that they have on people not only when they are serving but when they come home can be pretty impactful.

So what is going on with the tropical diseases is what I would like to focus on a little bit? U.S. service men and women are often deployed to tropical disease epidemic regions. We have, with the extension of AFRICOM now, the look to the Pacific, with some of the islands and where we are going to find our service men and women. I think this becomes very impactful.

In 2003, malaria impacted Marines deployed to Liberia, and it affected 80 out of 220 Marines. The number of days lost among U.S. military personnel due to malaria, just malaria, during every military campaign fought in malaria epidemic regions during the 21st century, is alarming. Humanitarian missions are often in some of these regions, too, that place Americans at risk of infectious diseases, evidenced by several Americans contracting malaria while supporting the Haiti and Philippine efforts.

So reducing the risk of malaria is one thing in which, you know, you have a proud history of working on, but there are many, many other diseases that are being presented to service men and women. And it is critical in your mission to succeed in finding ways to either prevent, or to treat.

So, you know, I can't stress enough our role, your role, the government's role in what we have done on diseases in the past. So we know we have problems with drugs and prophylactics used to keep our men and women safe from these tropical disease regions, and sometimes they are not reliable. Sometimes they don't exist, and sometimes the side effects are such that it is very hard to get people to comply with correct usage and dosage.

So I am going to ask you a couple of questions here, but for folks here, Dengue fever is something that is spreading throughout. It is just not in Asia anymore. It is in Africa. It is in Central America, not too far from our doorsteps, and maybe possibly in Texas and in Florida, with climate change. I am not going to say this right, but I am going to give it a shot, chikungunya.

Admiral NATHAN. Chikungunya.

Ms. MCCOLLUM. All right, you guys got it. But it is another, as Dengue fever, it is another mosquito, and you know, you look at the charts. It is all over in Africa. It is in India, and it is all over in Asia. It seems to somehow as of yet have missed Australia, but, you know, they are probably paying attention to what is going on, too.

So in what you were talking about with, you know, getting right sized, making the decisions on how to make sure that medical costs are given in a way that is strategic, that treats the illness, that treats the disease, but isn't overtaxing the taxpayer, with our world change and with our climate changing, you are still confronted with a lot of these tropical diseases.

So what are you doing to, you know, continue to prioritize the R&D for the tools to combat these neglected and tropical diseases to ensure that we are prepared, that our service men and women are prepared? I mean, you cannot lose that many people down

with—when you have Dengue fever, you don't move, and there is no treatment for it at all. And if it was to have an outbreak on a military ship or some Marines or some Army folks in AFRICOM deployed, you know, what are we going to do about it? So what do we need to know about what you have to continue moving forward in your R&D on these diseases?

Dr. WOODSON. Let me make one comment and then I am going to turn it over to the Surgeons General who can really speak to this. We do have a robust program in infectious disease to include all of those diseases that you mentioned, and we have a network of overseas labs. But I think the Surgeons General really can speak to this effect.

General HOROHO. Okay, thank you, ma'am, for the question.

I just recently returned from Thailand looking at one of our labs that really has tremendous focus in the area of malaria, and disease preventions within the Asia area. And right now, we are in Phase 3 clinical trials for a vaccine prevention for malaria, which is looking very, very promising. We are spending and focusing our efforts on not just prevention but also looking at the oral prevention and trying to find other alternative medications that have less side effects than some of the ones that are there today and so I know we are working very collaboratively with the Navy where they have got research and I will allow Matt to comment.

Admiral NATHAN. Yes, ma'am, your point is very well taken because we are putting people on ventilators in the United States that started from an infection in poultry in Southeast Asia. And so this is a worldwide threat. Regarding globally emerging infections, and we are front and center on the readiness aspect of it, of the deleterious effects to our troops. We quiz medical students, and we ask them what is the deadliest animal in the world? And they come up with snake, or bear, or tiger. However, it is the mosquito. It kills more people per year than any other animal on the planet. As General Horoho said, there are amazing strides being made in vaccines. Hopefully, within the next few years, we will have a viable vaccine for malaria, especially as drug-resistant malaria is now starting to emerge in Southeast Asia, which has no known treatment.

The bird flu avian influenza, the H1N1s and the H5N5s are starting to emerge. We are on scene with the Army in this research. I just got back from Singapore, Cambodia, and Vietnam, where we have very robust epicenters of study going on collaboratively. These not only proffer global health engagement and partnerships and diplomacy, but we are also creating world class science that perhaps can nip these in the bud.

The Navy has the only military base in South America. It is a Navy research center in Lima, Peru. We also operate in Cairo, Egypt, which has been running uninterrupted for the last 50 years. We are in Singapore, Cambodia, and Southeast Asia. The Army also has a very robust research in Thailand.

To answer your question, I think we are leaning forward on this issue. We recognize the threat not only to our personnel but to the world citizenry at large, and we are very interested in trying to make headway on this and gain partnerships and trust of other nations as we do it.

Mr. FRELINGHUYSEN. Thank you, Ms. McCollum.
Mr. Crenshaw.

MALARIA VACCINE

Mr. CRENSHAW. Thank you, Mr. Chairman.

Just following up on that, when you mentioned you are doing research for vaccines, and I know you have been working on that, but you mentioned in a couple of years. Do you have any idea, I mean, more specifically when you think you might have a vaccine? Because I know it is being tested. Is that a year or 2 years, or what?

Admiral NATHAN. Well, we have just recently come up with a vaccine that provides for the first time 100 percent immunity. The challenge is that malaria, somewhat like viruses, can morph and there are four distinct types. Finding one that that will reach the necessary titers and the efficacy and field testing it. We have already used it on human subjects, and it has been proven to be effective in our human lab subjects. We will see what happens as they expand now to the more native areas.

To answer your question, sir, I am told by our research experts—and Patty, correct me if I am wrong—but they really think they are within a few years of finding one that may be commercially—

Mr. CRENSHAW. We are talking about healthcare costs and how that is a big part of our personnel and how the personnel costs are kind of impacting readiness. It is an important conversation to have. I think you all are essential. And we talked from the outset about how you share the cost, but I think we are talking more about how we can lower the cost of health care and one of the things I would think if you had a vaccine as opposed to some anti-malarial drug, there probably is a quantifiable cost savings if you could deal with that, because it is preventable. You can have a net and all those kind of things and you can take drugs—but if you could actually have a vaccine, it seems like that is something that would be a way to save money in the big picture in terms of health care. Is that right? I mean, I don't know if you tried to quantify that.

Admiral NATHAN. Absolutely, sir. An ounce of prevention is worth a pound of cure.

I would add, as you know, administratively and the bureaucracy of putting new medications or novel medications out into general use go through the wickets, often which are protective, but it can also be substantial. And that is where some of the time comes from in order to meet all of the requirements of testing.

COLLABORATIVE RESEARCH EFFORTS

Mr. CRENSHAW. Because let me follow up on that. I mean, I know that there are some partnerships that you all have—I don't know if you are all familiar with it. I met with Colonel Craig Shriver. He is a director of the Murtha Cancer Center at Walter Reed, and I think John Murtha, who we all know and love, his legacy lives on in cancer research. And that is one of the areas that I was talking to Colonel Shriver about, they have a partnership with what is called the Moffitt Cancer Center, and they are doing a lot of research, working together to deal with prostate cancer and lung cancer. And one of the major benefits, as I understand it, they were

explaining to me, they can take the—you have got a great reservoir of populations in centralized medical systems, and they have got the doctors. And as you work together, you can figure out what cancers require treatment and what cancers are more benign and don't need treatment, and then that knowledge can reduce not only treatment costs, but it can improve the quality of life of the people involved. And so I don't know how familiar you all are with that partnership with the Moffitt Cancer Center.

Maybe, Dr. Woodson, if you can talk a little bit about how that is bringing down the overall cost, if you are not familiar with, specifically, what is your view of this leveraging taxpayers' dollars in terms of medical research using, you know, outside groups like that to work with you, to ultimately lower the cost for everybody?

Dr. WOODSON. I couldn't agree with you more. And if you remember back to my opening statement, I talked about one of my six lines of effort is defining and investing in strategic partners. It is absolutely necessary. And so one of the ways we have gone recently is consortium, to bringing the best and the brightest, best talent, wherever it might be, into the picture to solve the problem.

I don't know, General Horoho, do you have anything?

General HOROHO. Thank you, sir.

There is much that is being done in the area of partnerships. So as we look at what is the military relevancy of different scientific research that needs to be done, there are government dollars that are put towards it, but a majority of the dollars really are from the partnerships that we have with civilian institutions.

There is usually a civilian relevancy along with our military relevancy when we are looking in the area of health care. You could look at what is being done with regenerative medicine. We are now on the second consortium. Much of the transplant, both the hands and our face transplant, has come out of that consortium. There is tremendous work that is being done in cancer research, in autism, in neurotrauma, just across the board. And also with Melinda Gates, Bill Gates, their foundation.

There is no way, I think, in the environment that we are in, that we can do the relevancy of the research that needs to be done without the partnership within the civilian community. I think it is vital.

Mr. CRENSHAW. Thank you.

General TRAVIS. Could I add one more comment just on the partnership thing? And I alluded to this in my opening comments, as well.

For years, we have been doing trauma training with university partnerships—University of Cincinnati, St. Louis, Baltimore Shock Trauma right up the road. We have provided trauma training for folks who were just about to deploy, hundreds of them, so that they get the trauma experience, trauma exposure.

But the side effect of that is, because we have persistent presence and staff in those trauma centers, there is also tremendous research going on with our university partners that could not occur just on our own budget.

Mr. FRELINGHUYSEN. We are assuming—and Mr. Crenshaw's time is up, but let me put my oar in the water here—that you are

intimately aware of these investments from congressionally directed medical research programs. So we assume you are.

Mr. Owens, thank you for your patience.

SHORTAGE OF MENTAL HEALTH PROVIDERS

Mr. OWENS. Thank you, Mr. Chairman.

Thank you for coming today to testify.

Dr. Woodson, does DoD suffer from a shortage of mental health professionals, whether it is psychiatrists, psychologists, or psychiatric social workers?

Dr. WOODSON. So, our fill rate for our psychiatrists is about 91 percent. Overall, for all behavioral specialists, we are tracking at about 102 percent, but that is because we are able to fill certain behavioral specialists in excess, like clinical psychologists at 124 percent.

The short answer is that we do have deficiencies in certain areas, and these tend to be the hard professionals to recruit because they are in demand throughout the Nation.

Mr. OWENS. And are you recruiting primarily for civilian participation as opposed to servicemember participation in those occupations?

Dr. WOODSON. So, yeah, I think it is both. We want to make sure that we have the right professionals to provide services to our members.

Mr. OWENS. In rural areas, in which many military installations are located—I happen to have Fort Drum in my district—is that an issue that is more prevalent in those geographic areas than it would be in an urban or suburban setting?

Dr. WOODSON. Absolutely. And to try and mitigate and deal with this, as we talk about what should be our 21st-century capabilities, we are trying to invest heavily in tele-behavior-health so that consultation can be provided even in rural or more austere environments.

FORT DRUM REGIONAL HEALTH PLANNING ORGANIZATION

Mr. OWENS. Thank you.

General Horoho, are you familiar with the Fort Drum Regional Health Planning Organization?

General HOROHO. Yes, sir.

Mr. OWENS. What is the Army's position relative to that organization?

General HOROHO. Back in 2010, I believe, the funding stopped for that organization. So part of—in the past, it was a very close relationship with the Army in looking at how to maximize the civilian health care around the Fort Drum community to meet access to care and ensure continuity of care.

And so what we rely on right now is really looking at the TRICARE partners within the Fort Drum community to ensure that we are trying to meet those needs.

Mr. OWENS. And that is because Fort Drum does not have a hospital facility on the post.

General HOROHO. We don't have in-patient. We have a hospital facility, but we don't have in-patient care. That is a subspecialty.

Mr. OWENS. My ultimate question is, is there something that we can do to get the Army or DoD to reengage with the Health Planning Organization and to provide funding for it?

General HOROHO. I would have to refer over to DoD.

Dr. WOODSON. We would be happy to look at the affiliation and the need for services. Yeah, I mean, if there is a need, yeah, absolutely, we will talk.

Mr. OWENS. I think the—certainly my perception is, I think those folks at Fort Drum clearly think that there is a need for that assistance.

And New York State is going through, and in particular in my region, a healthcare redesign commission. I happen to be an advisory member of that group. And for us, this has a regional impact, as well. So I would hope that we could facilitate both military health care and the local communities' health care.

Thank you. I yield back.

Mr. FRELINGHUYSEN. Thank you.

The ranking member of the full committee has joined us, Mrs. Lowey from New York. And I know she has something to say, and we always value what you have to say.

Mrs. Lowey.

MENTAL HEALTH AND SUICIDE PREVENTION EFFORTS

Mrs. LOWEY. Well, you are very, very kind.

And I apologize that we seem to be having three or four hearings at the same time. And I know that your presentation has been invaluable, and it is my loss. I am sorry that I have not been able to be here for the entire hearing.

One of my concerns, and, I know it is a concern of many of my colleagues, but it hasn't been discussed as yet, is, after 13 years of war, the invisible wounds have been among the hardest to comprehend and to treat. I would be most appreciative if each of you could share your efforts to treat these invisible wounds over the past two wars and in a post-war climate.

The committee has added funding above the request dating back to 2004. If you could focus on how the funding has helped advance treatment in the areas of psychological health, traumatic brain injury.

If you could each give a brief description of your respective Service efforts to reduce the number of suicides. What program is the most effective? What would you do differently if you had more funding dedicated to suicide-prevention efforts?

And what are you doing to help your servicemembers cope with the anxiety of the personnel drawdowns and the anticipated slower tempo?

Maybe I will stop at that. But I think this is an issue that we are all dealing with in our communities. And when I have seen families distraught from this, I can just imagine the personal pain that they are enduring themselves.

So if you could each discuss that, I would be most appreciative.

General HOROHO. Thank you, ma'am, very much for that question. So if I could start first in, kind of, the strategic, and I will narrow it all the way down.

So the overall culture change that we had across our Army has been over the last couple years, and we have really made a culture shift of focusing more on readiness and resiliency. And what we have found is, over the start of the war and throughout, with the robust funding, is that we had many programs that were developed because the funding was there, and these programs were developed to meet the needs. And what we needed to do is to look and start evaluating the effectiveness of the programs and get more proactive than reactive. And so that has been a fundamental shift.

And we have started to synchronize Installation Command, as well as MEDCOM, as well as our personnel community, to look at policy, programs, and resources, and actually have metrics where we evaluate the programs. So that is the overall readiness and resiliency campaign plan.

And we also looked at synchronizing, within the readiness and resiliency, our performance triad of looking at sleep, activity, nutrition, with a focus on brain health and having that synchronize with Comprehensive Soldier and Family Fitness, with ArmyFit, so that our efforts are not a medical effort but it really is an effort that is pushed into the line community to look at health and wellness. Because there is so much that is connected in that area, if people are having Post Traumatic Stress Disorder (PTSD) and are using alcohol to maybe fall asleep because of the nightmares and you start having all of those bad outcomes.

So we are trying to be very preventive and proactive in that area. So we have ongoing studies at Fort Bliss, Fort Lewis, Fort Bragg, and also in Afghanistan, looking at health outcomes associated with the performance triad.

Then we have also stood up a behavioral health service line, which has standardized behavioral health across every platform and touchpoint in which we provide behavioral health care. We started out with 211 programs. We narrowed them down to 11 enterprise-wide behavioral health programs. And then we rolled out a behavioral health data portal, which is the first time ever we are looking at health outcomes to truly evaluate how effective our behavioral health is. And then the Air Force and the Navy are actually adopting that behavioral health portal, as well.

And then we have combined that with the use of tele-behavioral health. So we provide behavioral health care using tele-behavioral health over 19 different time zones. That has allowed us to actually double the amount of behavioral health being provided.

And so we are starting to see, with embedded behavioral health, and we have actually pushed our behavioral health providers into the garrison footprint, we are seeing a decrease in in-patient behavioral health admissions, we are seeing an increase in health outcomes in the area of behavioral health. And then we have trained all of our primary-care providers in behavioral health.

So it is truly a system moving into that area.

ELECTRONIC HEALTH RECORD

Mrs. LOWEY. Just if I can pursue that for a moment, you are talking about identifying the problems while they are on active duty. One of our concerns—I am sure when I was gone you were talking about the lack of an integrated medical records system.

Mr. FRELINGHUYSEN. We have yet to get into it, but we are definitely going to get into it before we leave here, I can assure you. They are on alert, Ms. Lowey, I can assure you.

Mrs. LOWEY. Okay. So I will leave that for someone else.

But on this particular area, what we have found—and although it seems to be getting better, but I know many of the problems occur after the person is transitioned, after the person is a veteran. And most of the problems are blamed on Secretary Shinseki.

However, no matter how many times we bring it up, no matter how many times we talk about it—it has been months, Mr. Chairman. Is that correct? We still don't have—

Mr. FRELINGHUYSEN. It is about 7 or 8 years, actually.

Mrs. LOWEY. All right.

Mr. FRELINGHUYSEN. It has been too long. But we are going to focus on it and we are going to get some answers before they leave here.

Mrs. LOWEY. So what I wonder about in this particular area, if these problems are identified before the person leaves active duty, are they followed into the next phase of their life? Are they continuing to get this service?

I hear “no,” but I would be most appreciative if you can tell us some good things, as would the chair.

Mr. FRELINGHUYSEN. We are going to extract those answers out of them before they leave here. Is that all right?

Mrs. LOWEY. That is fine.

Mr. FRELINGHUYSEN. Okay. Thank you, Ms. Lowey.

Mr. Womack.

CONTAINING HEALTH CARE COSTS

Mr. WOMACK. Thank you, Mr. Chairman.

So many questions, so little time. And I want to thank the panel for their service to our country and what they are doing.

Earlier in the testimony, in the Q&A, there was reference made to what we are doing, given the increased cost of having to treat those that have been so courageous, have gone downrange and served their country in uniform.

A simple question: No matter what you do, no matter what best management practices we use, no matter what we do to leverage technology, do we still have a simple math problem, in that there are more people that have served our country in uniform that are going to be subject to the promised care that we have made to our service men and women? Do we just simply have a math problem right now?

Dr. Woodson.

Dr. WOODSON. In part, it is a math problem, because people live longer and so they will utilize the benefit for a longer period of time.

In part, it is a math problem because 5, 6, 7 years ago the number of eligible beneficiaries that took advantage of TRICARE was about 62 percent. It is now about 84 percent, and we expect some rise to around 90 percent.

And then, in part, it is—

Mr. VISCLOSKY. Excuse me, what were the percentages of?

Dr. WOODSON. Sir?

Mr. VISCLOSKY. What was the whole of the percentages?

Dr. WOODSON. About 84 percent of eligible beneficiaries are in TRICARE.

Mr. VISCLOSKY. Oh.

Dr. WOODSON. So, in part, it is a math problem, but also it is a delivery of care strategy, as well. So, both, yeah.

READINESS

Mr. WOMACK. This committee has had a number of briefings and hearings, and at the very core of our concern is our Nation's readiness in uniform. And so we have, in kind of descending from this long period of time where we have had an elevated state of readiness because of the multiple deployments of our men and women in uniform, as we start to descend from that operational tempo, are you a bit concerned about our capacity to keep our men and women in uniform ready medically, and specifically our Guard and Reserve folks, who have had unprecedented levels of medical readiness in this timeframe?

General.

General TRAVIS. Sir, great question.

I am very concerned about it. I think we all are. We talk about it all the time.

I say frequently in public forums, war is a hell of a readiness platform. Because you stay trained, you focus on war. It is a great motivation to get training and be out there and doing the job. As we come home from this war—and it is not done, as the chairman alluded to—I think the opportunities to really have that exposure are going to be waning, diminishing.

When I go into an MTF these days and I say, "How many of you deployed?", 70 percent of the hands go up. In 5 years, it is not going to be that many. And then that is why I made a comment in the opening that I am worried about us not being as ready at the next one as we are right now for this one.

So the issue is, even as we are trying to find ways to save money and we are looking within our own direct care system to do that, frankly, we don't need to be chopping the direct care system that much, because we still have to have the opportunity to practice, not just doctors but nurses, technicians, and the rest.

With regards to the Reserves, as you may know, for us, the air evac system, 60 percent of our air evac mission is Reserve. And they are performing magnificently. So how do you keep them, number one, clinically engaged, as this war winds down, but then also exposure to care in the air?

And, of course, whatever we do in the future, because we have been proven now that it is not just how many beds you have in theater—in fact, it is not how many beds you have in theater; it is actually how quickly you can transit people back to the right level of care. We have transformed how we do medical care in war these days.

So I am just, all I am doing, I guess, sir, is endorsing your worry. And we have all, to include the Secretary, kind of strapped this on and tried to think of transformational ways that we can keep our folks clinically engaged—and, again, our partners will be very important in that—but, also, you know, figure out how to, you know,

leverage each other's strengths, as we are doing now more in an interoperable way than we have ever done.

SERGEANT BRENDAN MARROCCO

Mr. WOMACK. Well, far too often, we consider readiness to be more of a move, shoot, communicate, and prosecute war, but so much of it is based on a platform of medical readiness from the get-go.

And if I could, for just a couple of seconds. Last year, I consider the testimony or the example, General Horoho, that you gave regarding Sergeant Brendan Marrocco which is one of the most incredible things I have ever witnessed in life. And so maybe a little bit later on you could, kind of, update us on that young man's situation, who became, I think, the first soldier who had quadruple amputations, to be the recipient of double-arm and/or double-hand transplant surgery. And I will leave it there. It is an incredible, riveting story, and I thank you for it.

Mr. Chairman, I yield back.

Mr. FRELINGHUYSEN. None of us will ever forget it, but you will update us a little before we leave here.

The gentleman from Alabama, and then Mr. Ryan.

Mr. Aderholt.

TRICARE FEE TIERS

Mr. ADERHOLT. Thank you for all being here this afternoon.

Dr. Woodson, in your submitted testimony, it appears that cost-sharing fees have been split between the ranks of E-4 and below and E-5 and above. The concern is an E-5 would pay the same cost share as an O-6, when the difference in base-pay salaries between the two ranks is about \$7,000 per month when you factor in typical service-years.

Can you elaborate to us on how the Department determined that the cost-share program should be split at the ranks of E-4 and E-5 and why there are two cost-share categories, given that there are a total of 24 ranks in the military and the base-pay salaries range from \$1,500 a month to \$15,000, depending on the rank?

Dr. WOODSON. This is an excellent question. And the reason it is excellent, it gets to the issue of fairness and how you make it equitable and then how you actually administer a program if you have to constantly check grade, status, income, et cetera.

I think that the Service chiefs and the senior enlisted folks, who had great input into this, looked at it—and I would remind you again that in last year and the year before, when we made proposals, we tried to break out even in greater tiers, looking at, sort of, ranks and the, sort of, categories you have indicated. The bottom line is, at some point, you come to a decision about what you think is fair, equitable, and doesn't produce an undue burden.

So, for example, with the E-4 and below, the majority of those individuals, including their family members, have access to MTF care, which means that they could have extremely low-cost and no-cost care. So if you look at the numbers of folks in that grade that use TRICARE Prime Remote, which would be an indicator that they are away from the MTFs, it turns out to be an extraordinarily low number, less than 2 percent.

So when you look at, sort of, the distribution of folks and then you try and devise a program that you can administer and you get the input of the Service chiefs and the senior enlisted, this was the proposal that we came up with. But your point is well-taken.

Mr. ADERHOLT. Thank you. That is all I have.

Mr. FRELINGHUYSEN. That is an excellent question. It concerns all of us.

Mr. Ryan.

MINDFULNESS TRAINING

Mr. RYAN. Thank you, Mr. Chairman. I apologize for being late. I was in the Budget markup, and, as you know, that can be a marathon, and not a good one, if there is such a thing—

Mr. FRELINGHUYSEN. You serve on the Budget Committee?

Mr. RYAN. I do.

Mr. FRELINGHUYSEN. Our sympathies to you.

Mr. RYAN. Thank you, Mr. Chairman.

Two topics, two questions. One is regarding mindfulness-based relapse prevention, which is an approach that the military is implementing.

And I want to share with you a study that has just come out with regard to cognitive behavioral relapse prevention and mindfulness-based relapse prevention. Both techniques were shown to reduce substance abuse treatment. The cognitive behavioral relapse prevention went about 6 months and was still effective. The mindfulness-based relapse prevention went up to a year, to be found as extremely effective in reducing incidents and reducing drug-use days and heavy drinking.

I think these are effective techniques. I have been researching them for a long time. I think they are something that we need to continue to promote within the military but also in the VA.

And, coincidentally enough, Monday, I got a letter from a woman who said her husband is an E-5 in the Army, receives behavioral health treatments in the form of counseling, medication for depression, anxiety, PTSD symptoms, and sleep disturbances. Long story short, he couldn't get into the mindfulness-based relapse program, but then got into the program, and saw significant improvements, and a reduction in medication.

And so I just want to encourage you to help push down throughout the bureaucracy of the military these types of techniques. They are working. It is not medication. It is not as easy to just put someone—as this—to put someone on a prescription to try to help them, when these other techniques are extremely effective in dealing with their brain chemistry, their nervous system, helping them become more aware of incidents. And it is a huge issue. And so I am asking you to please look into these mindfulness-based techniques.

There is a mindfulness-based mental resiliency training that the Marines are doing on the front end to help build resiliency, which I think is as important for helping the men and women in our military to deal with this, but then, also, if they need the help, they can get this kind of treatment.

And then, hopefully, you can work with us. We have an Armed Services Health Promotion Act, which is both the Defense side and the VA side, to push out further integrative health techniques. I

think it is extremely important. It can save us a lot of money in the long run. It is not about medication.

OBESITY AND DIABETES

The other issue that I am very concerned about with the military is the issue of obesity. Fifty-nine percent of the Air Force personnel are classified as overweight. Seventeen percent of sailors are obese, while 62 percent are overweight.

And you know as well as I do that being overweight and being obese leads to diabetes. We have one in four vets that are diabetic today. And I have been to different facilities, and I see the food. A lot of this is caused by the processed food that our men and women are eating. I am just thinking, if we can find certain issues as a committee, Democrats and Republicans, that we can agree on—diabetes is going to cost our country \$245 billion. That is up from \$174 billion just 4 or 5 years ago. And to think about—that is as a society, not in the military. But to think of a common-ground piece of legislation that we can work on with you.

I know the NIH is doing a very big, comprehensive healthy communities initiative. I know there is a Healthy Base Initiative. But I think there needs to be a partnership and this needs to be accelerated. It is a great opportunity for us to come together on the front end to do prevention.

So I know I took up a lot of time here, Mr. Chairman, and I don't necessarily have a question, other than, can you help us maybe piggyback on the NIH study and help us expand the Healthy Base Initiative program and, I think, drive down costs? You talk about the food, talk about mental health promotion, and all of the like.

So take a shot at it in the minute that we have left, General, if you could, or—

General HOROHO. Sir, you just hit my passion. And that is exactly what we have been doing over the last 2 years, is really moving towards improving health outcomes. And so we have seen, with the wellness centers that we have been rolling out, we have seen a 4 percent decrease in body mass index in 62 percent of those that have gone to the wellness centers.

That is just one touchpoint as we partner with the Healthy Base Initiative that is occurring across the Department of Defense. But really looking at educating on nutrition, educating on the value of sleep, because that is tied to obesity and weight gain as well as other stress indicators, and then really looking at activity.

And so our pilot programs that we have going on right now are also being done with the research study to evaluate not just health outcomes but also where we are having cost savings.

Mr. RYAN. Well, I would like to work with you on the food piece, maybe on the ships and on the bases and what is even available.

And then, in the wellness centers, I think these mindfulness-based techniques could be extremely helpful. And do you do that in the wellness—can you talk about that for 30 seconds?

General HOROHO. Yes, sir. That is part of—what we have integrated in our wellness centers, as well as what we are doing with our performance triad and in our patient-centered medical homes that are rolled out across, is alternative integrative medicine. We

are using mindfulness, acupressure, acupuncture, cognitive therapy.

And so we are looking at multiple tools that individuals can choose from to kind of help them improve and decrease their reliance on pharmaceuticals. And we have already seen a 50 percent decrease in our pharmaceuticals just out of our patient-centered medical homes that have this integrated approach.

Mr. RYAN. Nice.

Mr. Chairman, I know I mentioned to you about the armed forces bill——

Mr. FRELINGHUYSEN. Yes.

Mr. RYAN [continuing]. That takes both Defense and the VA. I think this is an opportunity for us to, you know, amplify what you are doing and talk a little bit about how we have this continuous coverage into the VA and drive down costs. I think there is a great opportunity here, Mr. Chairman. I look forward to working with you to make it happen.

Mr. FRELINGHUYSEN. Well, thank you, Mr. Ryan.

I was alarmed by those Air Force figures, General. Can't have many wings up if we have that many people that are overweight. I am going to deny you a chance to have equal time.

General TRAVIS. I have no comment.

Mr. FRELINGHUYSEN. Good.

General TRAVIS. Yeah.

Mr. FRELINGHUYSEN. But Mr. Ryan is on his game.

And we turn to the gentleman from Texas, who probably has more of our fine service men and women in his congressional district than any other, Judge Carter.

ABOLISHING TRICARE

Mr. CARTER. Thank you, Mr. Chairman.

I am going to ask you the question that I get asked constantly. It is the number-one question I get asked by privates and generals, active duty and retired. It is a tough question.

As you look down the corridors of the future in medicine, military medicine, considering our rising debt and the rising cost of medical care, do you foresee a time in the future when TRICARE or TRICARE for Life or VA or all of the above medical care will be abolished or converted into such a manner that our active duty military and retired military and their families will be moved into the Affordable Care Act or Medicare or Medicaid or a combination of the above as a substitute or replacement for their current health care?

Dr. WOODSON. Thanks for that question.

The short answer is "no." The nuanced answer is that, of course, 65-year-and-older retirees use Medicare and TRICARE for Life, so they are in Medicare.

I think that Congress and the American public want to always ensure that those that raise their right hand and promise to protect and defend get a robust benefit in terms of health. I do think, however, that as we go forward, collectively, we have to rationalize the program.

So, right now, for a retiree, the American public pays for three different types of access to care. They pay for the TRICARE ben-

efit, they pay for the direct care system, and they pay for the VA system. And so, at some point, I think we need to look at making sure that we ensure that they have care. Two of those are free now, at this time. But we are going to have to rationalize it a little bit to make sure that we can sustain it.

But I don't see a draconian way of going to the Affordable Care—because, remember, that is a premium-based system anyway, and that is not what this benefit is all about.

Mr. CARTER. Anybody else want to answer?

Admiral NATHAN. Sir, we get that question a lot.

One of the reasons that we have had an orbital improvement in combat casualty care is because of the organic, standalone Military Health System and the trained personnel who operate within it. We could never buy as many providers, nurses, technicians as we can train and cultivate in our own MHS system. And that includes the direct care system and partnerships with our academic—sometimes very pristine academic partners.

In order to be able to maintain, train, and keep the skills currency to provide the kind of care that the American public has come to expect from the battlefield or from the sea or from the air, we have to continue to see and treat that patient population.

Without these older patients, our training programs would go fal-low. Many people ask, well, don't you just need combat trauma personnel for war? We do, but in order to provide for these, they must be integral to programs that have internal medicine, pediatrics and OB/GYN specialties.

We run the full gamut of care in our facilities, not only to take care of our families and maintain family readiness, but also to field the kind of team that right now is, as General Travis mentioned, is a little bit tired, a little worn out, and getting ready to take a knee. These personnel are nonetheless the best and highest professionally, trained, quality medical force the country has seen. So we are greedy to hold on to that talent.

Mr. CARTER. And I understand those people who are currently serving, that I think the future is what they are worried about, when they are no longer currently serving in the military, they have retired from the military, but they feel like they have contracted for the future with TRICARE for Life and with Medicare. I do recognize Medicare—

Admiral NATHAN. If we don't take care of the retired population in that age group, we can't train and maintain the critical mass of our graduate medical education training—

Mr. CARTER. So I am waiting for the answer “no.”

Admiral NATHAN. The answer is, from my perspective—I think I speak for all of us—no. We will not—

Mr. CARTER. Because that is the answer they want, and I am asking you to help me give it to them.

Admiral NATHAN. We are not going to disenfranchise that population.

General TRAVIS. I agree with “no.”

ELECTRONIC HEALTH RECORDS

Mr. CARTER. Okay. Then I am going to tell them “no.”
I have one more question, Mr. Chairman.

I have been in Congress for 12 years, and in that 12-year period of time we have talked about the issue Mrs. Lowey raised, the communication between the DoD and VA. So I want to ask a question.

In the effort to allow DoD and VA medical records systems to communicate, DoD and VA are now developing different systems and attempting to develop applications that will work between them.

Has the DoD and VA considered, rather than focusing on the system themselves, focusing on the basic operating parameters, a database language?

With a standard like this, DoD, VA, and any other applications running on the same standard would be able to easily communicate. This is a model used frequently in the private-sector software and platform development.

Has that been considered?

Dr. WOODSON. So let me answer that. And, again, the short answer is "yes." And, in fact, we have done a lot within 2013 to actually do that.

One of the problems with electronic health records is, in fact, there wasn't common nomenclature and standards. And so we have been working with the Office of the National Coordinator to create and enforce those standards. So we made great progress in 2013 in mapping between DoD and VA the common terms and standards so that we can create interoperability.

And we have deployed to nine sites where we are actively taking care of DoD and VA patients this new—well, this Joint Legacy Viewer to integrate the record. And I would be happy to show any of you a demo video of how this works.

So the other thing we have done, we accomplished by the end of 2013, is we are no longer transferring paper—the service treatment record and paper to the VA, because we have an entirely electronic means of transferring those records.

So it has been slow, but we made great progress in 2013. And in 2014 we are looking at the scalability. So the answer is definitely "yes."

Mr. FRELINGHUYSEN. Will the gentleman yield?

Mr. CARTER. Yes.

Mr. FRELINGHUYSEN. Is currently the Department of Defense and the VA using separate medical databases that can neither translate nor communicate their data in a functional way? Currently?

Dr. WOODSON. So we are mapping all of the—

Mr. FRELINGHUYSEN. No, I understand. Are you using separate databases?

Dr. WOODSON. We are mapping all of the data to the health database. So the VA is mapping all of their data to our database at this time.

Mr. FRELINGHUYSEN. So you are, indeed, making some progress?

Dr. WOODSON. We are making progress.

Mr. FRELINGHUYSEN. We have invested so much money in this. I mean, the whole issue of raised expectations. One year we blame the VA; then the next year we blame the Department of Defense.

I mean, you all, with wonderful, you know, records and dedication to country, must be enormously frustrated and to some extent embarrassed by this situation here. I mean, you don't have to—I

can look at your responses, which are not recorded. But let me say we need to make some progress on this.

Back to you, Judge Carter.

UNDIAGNOSED DISEASES DATABASE

Mr. CARTER. Well, if I have time for one more question, this is kind of personal.

NIH maintains the database of undiagnosed diseases. And you talked about some today that I have never heard of. I have legislation that would encourage them to open that database to third-party physicians to increase the catalog of symptoms and provide resources to the medical professionals who are trying to identify an unknown illness.

Does DoD have any similar database? And is there a way you can think of that DoD might be able to contribute to this effort?

We have an awful lot of mothers who have come to me and said, my baby is dying, there is bound to be somebody else with these symptoms, I sure would like to talk to them.

Dr. WOODSON. So, again, I think you are spot-on. And across the Federal space and to some extent in the civilian space, in the research community, we are opening these databases and contributing to the same databases to drive more effectively to answers to some of these desperate problems.

Mr. CARTER. So you are saying DoD would be associated with NIH's database?

Dr. WOODSON. Yes. And we already are, several right now. So, yes, absolutely.

Mr. FRELINGHUYSEN. Thank you, Judge Carter.

Epitomizing patience, Ms. Kaptur.

MENTAL HEALTH CARE FOR GUARD AND RESERVES

Ms. KAPTUR. Thank you, Mr. Chairman, very much.

I could say the same of you. You have to listen to all of us. Thank you very much for your service to our country and for coming today.

As with our other colleagues, Mrs. Lowey and Congressman Ryan and others, Congressman Womack, I have a deep interest in psychological behavioral health and human performance. Over the past several years, the Congress has added substantial resources for psychological health research and traumatic brain injury.

And one observation I have of all of your testimonies is that, understanding the incredible role that the Guard and Reserve have played in our warfighting over the last decade, the absence of significant mention by each of you in your testimony is troubling to me. They are an understudied, most vulnerable, less supported subgroup within our military.

And the first homework I am going to suggest is that you take a very close look at something called the Ohio Army National Guard Mental Health Initiative.

Obviously, we each come from different places. I don't have a big base like Fort Hood, but I have soldiers that have fought nobly.

And my questions—and I would like to make some further clarification for the record, but my questions really are: How are you

managing the research, diagnosis, and treatment of the psychological health of our warriors and veteran population?

Dr. Horoho, on page 8 of your testimony, you reference on August 2013 a national research action plan that the White House released, and you mentioned various entities of our Federal Government involved in that. And then, on page 21, you talk about suicides, and you used the words several times “Active Duty,” “Active Duty,” “Active Duty.”

I am very, very concerned about what I see happening in Ohio. And my concerns may be misplaced. But for a number of years, we have been trying to help our returning soldiers. And we have developed a 3,000-person-minimum database with DNA samples and so forth. But what has happened inside the Department of Defense is unbelievable.

In trying to help our Guard and Reserve, first we started out in something called the Military Operational Medicine Research Program. And, somehow, as the research progressed—and I believe it to be the only longitudinal study that I have seen in the country of what actually happens to these individuals on rotation out. They have been switched to something called the Warfighter Account.

And I am really perplexed and not understanding the plan of the U.S. military for a comprehensive approach to diagnosis and treatment and long-term observation of these individuals and, also, invention of new methodologies to help them lead a more normal life.

So I am asking each of you, can you explain to me what this shift in placement within DOD means? Is it more helpful to the Guard and Reserve or less helpful? And how do we embrace the Guard and Reserve across this country who did not return to a home base? And, over time, these behavioral issues continue to come up.

Dr. WOODSON. Thank you for the question and pointing out the concern.

And I would say for the record that I think each of us is deeply appreciate of the Reserve component and that we pay attention to the Reserve component. And, in fact, in my opening statement, as I talked about the medical force, it is about understanding the balance in the Active and the Reserve components and what we need to do to reform policies and procedures to promote, protect, and support them. And I am a Reservist who has been mobilized many times, so I have felt it in many different ways.

Now, to get to your point about support for psychological health, we have a number of activities—and I am sure the Surgeons General will elaborate—that looks at pre-deployment, post-deployment, and a series of follow-up examinations to ensure that we are capturing those that might have difficulties.

We have invested with the VA in a longitudinal integrated mental health strategy to provide the best clinical practice guidelines and a warm handoff to the VA for those individuals who have psychological, traumatic brain, or other mental health issues.

We have invested with the VA in tele-behavioral health so that we can extend our capability to Reserve components and folks who are remotely located. And we have invested, with the VA and the National Guard, in State coordinators to help arrange for the needs of the Reserve components.

And then there are a number of other programs, like Yellow Ribbon and the like.

So I will stop there, and I will let—

Ms. KAPTUR. Dr. Woodson, could I just mention something here? We are having a separate fight over in the Veterans Committee of the House to work with our State veterans homes—there are only two in Ohio, but many around the country—to allow empty wings to be used for some of these individuals. Guess what? The VA fights us every step of the way at the national level.

The local people know it is needed. We have homeless vets all over the place. Can't get it together. We can't get it together. All of these roadblocks. And so people are under bridges, they are in jails, they are in all these horrendous conditions.

And I am just making you aware, because maybe if you talk to the VA you can help them see a way forward. We are going to get through this, we are going to do this, we are going to provide decent shelter to these vets. But they need behavioral health care.

General HOROHO. Thank you, ma'am, for the opportunity to comment.

And so, if I could go back to the first statement of not including or mentioning directly the Reserve and the National Guard, throughout my statement when I use the word "Army" or "total Army family," that includes the Reserve component (RC) and the National Guard. And so I try—

Ms. KAPTUR. When you say "Active," you are including Guard and—

General HOROHO. No. So that is what I want to explain. So that is in the first part, is talking about that.

When I talk about the Active and the specific programs in there, we had a phased approach as we have looked at changes within the behavioral health community and looked at improving health. We started first with the Active component to see if the program worked. We are now in the phase of rolling that out within the Reserves and National Guard.

So I would like to take a moment to talk about that, if that is okay. Okay?

So the first part of that is we are actually, within the Reserves and the National Guard, now rolling out our performance triad. We have tested it in the Active component. We have now had agreement with the Reserves and the National Guard. They have given us three units each to be able to do pilot testing to see how this works. And so we are in the middle of rolling that out.

We have also included them in—there is a myPRIME, which is an online computer database, where our Reserve and our National Guard can actually go online when they are having difficulties or challenges so that they can reconnect into the community and we can direct them to resources and help.

We have now actually worked with the National Guard and the Reserves, and they have hired psychological health promotion officers so that every State has one, and then the Reserve units are having that. So that is then one dedicated individual that is looking at the psychological health for our Reserves and our National Guard and then being able to have consistent programs of the

same that we have been trying to roll out across the Active component.

We have also partnered with Give An Hour and the National Guard, and I went to the kickoff for that, where Give An Hour is actually providing psychological help to partner with the National Guard to help through tele-behavioral health. And so that has been rolling out across the National Guard States.

We are also working with the Reserves and the National Guard in resiliency training. And they are part of our readiness and resilient campaign plan that has been rolled out across our Army.

And so we are looking at all of those touchpoints, from the treatment aspect but, more importantly now, to the prevention and the long-term aspect of really providing the psychological health and the support.

Ms. KAPTUR. Well, could you explain to me, what does it mean, then, when the Ohio Guard is shifted from the Military Operational Medicine Research Program to the Warfighter Fund? What does that mean?

General HOROHO. If I can take that one for the record, because I don't have the right answer for you, but if I could take that, I will dig into it.

Ms. KAPTUR. I thank you very much for that.

[The information follows:]

Above all, Ohio Army National Guard (OHARNG) Mental Health Initiative remains fully funded under Joint Warfighter Medical Research Program (JWMP). It was originally funded as a Congressional Special Interest project as part of Military Operational Medicine Research Program (MOMRP). As the OHARNG Mental Health Initiative progressed, it met the requirement for full funding through the JWMP. Congress uses JWMP funds to augment and accelerate high priority Department of Defense and Service medical requirements and to continue prior year initiatives that are close to achieving their objectives and yielding a benefit to military medicine. The OHARNG National Guard Mental Health Initiative met these requirements.

HEALTH CARE FOR RESERVE COMPONENTS

Ms. KAPTUR. And I wanted to say also that some of the results of the work that has been done relate to the largest amount of DNA that has been collected in the country for individuals presenting with these conditions. That, in itself, is a valuable national resource.

In addition to that, we have learned many things. We have learned, on enlistment, one of the top factors for those who ultimately develop these conditions is preexisting experience with violence, more than 10 episodes. And so it has an impact on recruitment and on trying to make soldiers resilient for whatever they might deal with in the future.

There is a lot of information that has come from this. I don't get the sense that it necessarily bubbles up. And so I am appreciative of your taking a look at that.

And I would be interested, for Air Force and Navy, if there is any information that you could give us today on what your branches are doing.

Admiral NATHAN. Yes, ma'am. One of our greatest challenges is trying to connect both the Reservists and the individual augmentee

with continuity of care, especially that of psychological health from either traumatic brain injury (TBI) or post-traumatic stress (PTS).

There are many programs out there, and many of them are joint. They can come from Military OneSource, and that is how people can find them. They often transcend the Army, the Air Force, the Navy programs.

The challenge is getting the Reservist, who then leaves the fold, to remain engaged or understand what is available to them. We have a couple of mechanisms for doing that.

One is the Returning Warrior Workshops. This is where Reservists come back, they deactivate, and then they are given per diem and transportation to go to a city where we hold symposiums for 2 days at no cost to them. We encourage the entire family to participate, or at least the spouse. They are given 2 days of psychological assessments, support groups, and mostly information on what is available to them online through the telephone, and through local Reserve centers, to get the care they need.

It has been my experience that our biggest challenge is, when we go to the Reservists and they say, we are failing, our family is failing, we are not doing well, we are having issues. They don't know what help is available to them. So this is a mechanism, which has been highly successful and been highly praised by the Reservists, who said, this has armed me with what I need to know to follow up, even though I may be doing okay right now. But, as you know, one of the challenges is, 2 years from now or 3 years from now or 4 years from now, as people start having issues, how do they trigger help?

We also have a program called FOCUS (Families Overcoming Under Stress) for activated Reservists and families as well as active component personnel. FOCUS provides myriad of services that are run out of our family services centers. Service members can come in, see counselors, they can be given materials, they can be given referrals.

And then, to get to the larger question, is how do we—and this gets to the chairman's point of a connected medical record—how do we provide a warm handoff from the DoD system to the VA system so that somebody is not lost in the process?

We are working very hard on trying to maintain databases now that we share with the VA. We are using lead coordinators for people who can—and Federal healthcare coordinators, who can not only watch the care as it is being given in our DoD system, but then they maintain the continuity of that patient, of that individual, as they leave our system and go to the VA system so that there is somebody who is aware of their existence in both systems.

Ms. KAPTUR. Well, it is very interesting, one of our local sheriffs—and I represent several counties. He is a veteran, a Vietnam veteran. And he said, you know, Congresswoman, he said, on every given day, I have a minimum of 6 percent of my inmates who are veterans. He said, we have learned something interesting in the jail. We say to them, are you a veteran? They say no. But if we ask, have you ever had any military service?

It is just so interesting how we work with people so that we are able to help them and we can unlock whatever is blocking some-

times their own ability to get care. I would just place that on the record.

Mr. FRELINGHUYSEN. Okay.

Ms. KAPTUR. And we have one more reply, Mr. Chairman—

General TRAVIS. I will keep it brief. I know we are running short on time.

Mr. FRELINGHUYSEN. We are going to be here until I get a few answers, so—

General TRAVIS. Okay. Admiral Nathan's comments, I would mimic those.

But I would also tell you that, for the Air Force, and we are a total Air Force. You know, the Guard and the Reserves actually have established some of their own programs that are very good. There is a Wingman Toolkit the Reserve Command—I think it is the Reserve Command—has put out, where you text “WGTK” to a number, and there is an app that will show up on your phone or a website that shows up on your phone. It is very accessible, works very well. The Guard has wingman.org.

On the active duty side, those of us who have more assets, mental health assets, at our disposal, we actually have made a point in our lay-down of the extra uniformed mental health providers that we are laying in as a result of NDAA section 714 between now and 2016—it started in 2012. We influenced our lay-down of our mental health providers to bases where they could become reach-back for what the Guard has now established as directors of psychological health at each of their wings.

And so we have influenced where we put these, I wouldn't call them extra assets, but the assets that were mandated by law to make sure we were providing the reach-back support to Guard units which may be more remote.

And, of course, I don't think we have quite the burden of PTS in our Reserve forces as does the Army, but we recognize that there is a gap, and we are trying to address that gap.

Mr. FRELINGHUYSEN. Thank you, General.

Thank you, Ms. Kaptur.

Ms. KAPTUR. Thank you, Mr. Chairman.

ELECTRONIC HEALTH RECORD

Mr. FRELINGHUYSEN. We have been, as a committee, concerned about connection and continuity and the warm hand since 2008. So I have a few questions to Dr. Woodson.

What is the medical database that the Department of Defense uses now?

Dr. WOODSON. The electronic health record is AHLTA.

Mr. FRELINGHUYSEN. Which stands, I may add, for Armed Forces Health Longitudinal Technology Application. I am not sure what that tells us, but it is certainly a mouthful. It is not a acronym that I can remember.

How does that system work?

Dr. WOODSON. It is based on a series of databases that archive and redistribute information. And, of course, we have a worldwide network, so it is about archiving and redistributing the information—

Mr. FRELINGHUYSEN. Well, tell me if I am wrong. In February of last year, both departments, the Department of Veterans Affairs and the Department of Defense, announced, instead of building one integrated health record, they would continue with their separate systems. Is that accurate?

Dr. WOODSON. No, not quite. What I think the statement was, instead of trying to build de novo a single record, what was going to happen is that the Department of Defense was going to do a competitive solicitation and acquisition of an updated electronic health record and the VA was going to modernize their VistA system.

Mr. FRELINGHUYSEN. Well, there is a feeling that there are two systems here, and it seems that maybe the systems are sort of competing to subsume the other. Am I correct?

Dr. WOODSON. I don't—it is a good question, but I don't—

Mr. FRELINGHUYSEN. It is a good question. We—

Dr. WOODSON. I don't see that that way.

One way to look at this is that, again—I think I made this point some time ago—that if we were to ask everybody to hold up their cell phone, we would have a variety of different cell phones, but we could all text each other, call each other, and mail each other. We could work documents and then send them to our fellows.

Electronic records are like those platforms, and the barrier to sending information and developing that interoperability has to do with the standardized way of handling the data. And so—

Mr. FRELINGHUYSEN. What we would call a common language, right? A dictionary, right?

Dr. WOODSON. Yeah, exactly.

Mr. FRELINGHUYSEN. Why has it taken us since 2008 to come up with this common thread here?

Dr. WOODSON. So, this is a national problem. It is not—

Mr. FRELINGHUYSEN. Well, it is not a national problem. It is a national tragedy that this has taken so long here. There is no partisan divide here.

Dr. WOODSON. Yeah. And as I mentioned before, we have gone a long way between the Departments of Veterans Affairs and Defense last year to map a lot of that data.

But one of the things that I think the committee should know is that the majority of our interfaces are with the private sector. So 70 percent of our dollars—

Mr. FRELINGHUYSEN. Well, actually, the private sector might offer up some, you know, competition to some of the systems that you are employing yourself. They might have some ideas that might ease up the symbiosis of whatever we are talking about here.

Dr. WOODSON. And so I think you are exactly right, and that is exactly why we took the tack of looking into the commercial market. The issue is that, as I mentioned before, we are working with the Office of the National Coordinator to push the—

Mr. FRELINGHUYSEN. The office of the who?

Dr. WOODSON. National Coordinator.

Mr. FRELINGHUYSEN. National Coordinator of what?

Dr. WOODSON. That is through HHS. They are the ones who set the standards.

Mr. FRELINGHUYSEN. So we are going with HHS. Have we always used HHS?

Dr. WOODSON. HHS sets the standards relative to this.

Mr. FRELINGHUYSEN. So they set the standards for the language?

Dr. WOODSON. For meaningful use of electronic health records.

Mr. FRELINGHUYSEN. And so, we didn't tap them before this?

Dr. WOODSON. We have been working with them. The issue is that it has really been since 2009 that this has really become a national focus to develop—

Mr. FRELINGHUYSEN. It has been a focus of this committee, regardless of who runs the committee. And, you know, this is pretty disappointing. This has real-life consequences here.

And since we are the Appropriations Committee, what is the estimated cost of your new records system? I won't ask what the VA is doing to update theirs, but what is the cost of your new system here?

Dr. WOODSON. I think to acquire and fully implement the record, the lifecycle cost is going to be around—and this, you would have to ask Mr. Kendall, because he is really in charge of—

Mr. FRELINGHUYSEN. Well, I am asking you if you have a ballpark figure.

Dr. WOODSON. It is about \$11 billion.

Mr. FRELINGHUYSEN. \$11 billion. This is just for you.

Dr. WOODSON. Yeah.

Mr. FRELINGHUYSEN. And this is the tail, like we would say, for aircraft, or, you know, a ship that has a tail.

Dr. WOODSON. Right. This is the lifecycle.

Mr. FRELINGHUYSEN. So maybe we can focus on targets. The target date for the initial operating capability is the first quarter fiscal year 2017 and the full operating capacity, fiscal year 2023 practical. What do you feel is the realistic timetable for this year?

Dr. WOODSON. So we have already put out two RFPs and so that process is going along very well. We intend to begin fielding capability last quarter of 2016.

Mr. FRELINGHUYSEN. So what happens if the parties you are dealing with here, there is a protest here?

Dr. WOODSON. Well, that is a possibility.

Mr. FRELINGHUYSEN. There is a possibility.

Dr. WOODSON. Yeah.

Mr. FRELINGHUYSEN. I just, you know, I think it is enormously frustrating. It makes us angry that we have made these investments here. I don't know who has clean hands, but we have an issue of expectations that we might be able to get across the finish line here. This is way beyond the claims backup that the VA has. This is pretty damn important. What sort of level of assurance can you give here that we can meet these deadlines? That is a lot of money.

Dr. WOODSON. Yeah. It is a lot of money. I feel more confident today than clearly even last year, that we will meet those deadlines because the acquisition process is going along, and more importantly, what we have learned from the commercial market about what is out there is encouraging.

Mr. FRELINGHUYSEN. Well, the commercial market has been out there for quite a long time. I know there is a tendency, and I am

respectful, but in reality, sometimes we don't take a look at things that are off the shelf. We try to be inventive on communication systems. God only knows the amount of money we have invested in communicating. I won't say which Service is the worst, but coming with communication systems. But this is pretty important.

Mr. Visclosky.

ELECTRONIC MEDICAL RECORDS

Mr. VISCLOSKY. Thank you, Mr. Chairman.

And I do have a number of questions and I realize you may have additional ones and Mr. Womack. So I would ask for some brevity. I have got all day, but I think other people do not.

I would associate myself, first of all, with the remarks of the chair. On more than one instance, as a Member of Congress, I have referenced World War II. We fought and won a world war in 4 years. We are talking about interoperability of medical records from 2008 to 2017, and I am appalled. And I just would hope that going forward there is a sense of urgency and that if something isn't done by Friday, that people don't have the attitude, we will get to it on Monday. I just can't believe that given the wealth of talent and knowledge we have in the United States of America, that it would take a minimum of 9 years to make medical records interoperable.

So I would just associate myself with everything the chairman said and hope that people going forward have a sense of urgency.

TRICARE FEES

I would like to return to the issue of TRICARE and as I said in my opening statement, I realize just the demographics, if you would, and the math involved both on a civilian and military side are driving a significant budget problem. But I also, in my opening remarks, mentioned equity. And I understand that currently active duty members in TRICARE Prime or TRICARE Prime Remote have no copays as long as they follow Prime rules requiring consultation with a primary care manager, to access specialty care or to use the medical treatment facility network. It appears a new plan would treat active duty families as somewhat differently if they do not reside near or have access to a medical treatment facility or if their medical treatment facility does not have a capacity, for example, pediatrics.

These families don't have control over their assignments. Will they—how will DoD address the issue of equity based on availability and assignment?

Dr. WOODSON. So, as the plan is rolled out, we recognize, again, that there will be some individuals who may pay more because of location. We looked at it, and as I mentioned before, we looked at the numbers as it affected the junior enlisted, and I won't repeat that. On average, their out-of-pocket costs will rise from about 1.4 percent to 3.3 percent, an average of about \$244 a year.

Now, that is an average, and I understand that there may be some folks that need to consume more health care, and if they are in a remote area, it could introduce a larger burden. And the issue is that when you look at the, again, the numbers, particularly for junior enlisted, the impact appears to be small because most of

them should be near an MTF and could get free care there. But let me give you an example of—so it is pretty clear.

So, for example, young enlisted, they utilize less care but they do use, let's say, OB services. And let's say there is a family that is not near an MTF. The way the system would work is that all preventative care is free. What would happen is that if they needed—they were having a child on the economy, because the payments are bundled, they would be responsible for the one-time admission fee and so the difference between delivering in an MTF, and let's say in the—on the economy, would be \$60 to \$80 depending on the geographic area you are in.

So, in short, yes, there are some families that might experience elevated costs. I would say, as a final comment, that that is why we have catastrophic caps so a family could utilize \$1.5 million of care, and they—their only financial liability would be \$1,500 under the proposal.

EFFECTIVE UTILIZATION OF MTFs

Mr. VISCLOSKY. There have been efforts to increase the use of military treatment facilities on the theory you have facilities you want to maximize your utilization and decrease care received from private providers, so that was emphasized last year. Is that still an emphasis in the Services, and is that consolidation, if you would, of services in medical treatment facilities continuing?

Dr. WOODSON. I will let the Surgeons General respond, but the answer is yes, that we do need to protect and utilize our military treatment facilities effectively. The financial arrangements under the proposal emphasize lowest cost when they use the military treatment facilities. So there is an incentive to use the military treatment facilities. But I will let the—

Mr. VISCLOSKY. If I could, I don't want to be rude but I really do have other questions. I am assuming from your answer that it is still an emphasis.

Dr. WOODSON. Absolutely.

AUDITABILITY

Mr. VISCLOSKY. Okay. And just a statement, when the Secretary of Defense was in, and I think it is because I majored in accounting, I do hope that the 2017 goal of auditability is reached, and apparently, that is still on track, and obviously, medical services have a role to play, and I would encourage you on that.

Dr. WOODSON. Yes.

FOREIGN MEDICAL PROFESSIONALS

Mr. VISCLOSKY. On manning of the medical force, and Mr. Owens had a question, and you mentioned that for some of the specialties and occupations, it is hard to recruit and there was an emphasis on those in rural areas, which, again, I think would probably mirror some of the problems the civilian population has. But the Department of Defense had a report that reviewed procedures for accessing non-U.S. citizens with skills vital to National Defense, and among them were pharmacists, psychologists, and nurses. There are not enough U.S. citizens being treated that can be encouraged

to participate, do you know? It is not your report. It is a Department-wide report, but some of the skill sets they were talking about accessing noncitizens, were nursing, pharmacy, and psychology. Is that a problem for you in getting enough citizens?

Dr. WOODSON. Again, I will let the Surgeons General respond, but in general, we know that the American medical system has been augmented by foreign medical graduates, and that has been in place for some time.

Mr. VISCLOSKY. Half of the physicians in my district are foreign born. I understand that.

Dr. WOODSON. So that is going to be a persisting issue.

Mr. VISCLOSKY. Okay, I will defer for the moment, Mr. Chair.

Mr. FRELINGHUYSEN. That means he may have more questions. Mr. Womack.

MENTAL HEALTH SERVICES

Mr. WOMACK. Thank you.

I have got a couple of items in my binder that I need to get to, and I apologize up front if you have covered these in any depth at all. I know we have talked about mental health access for servicemembers. But particularly to kind of drill down on the separating servicemember, the person who has got some kind of mental health therapy going on but is separating the Service, and that potential for a disconnect between when they leave and when they pick up treatment once again, what are we doing to ensure that we don't have a break in services?

Because I know, that if these servicemembers have even a short break between treatment and therapy it could manifest itself in a very tragic way. So help me understand what we are doing to ensure that we can keep them consistent in their treatment programs. I will flip a coin if you would like.

General HOROHO. I will start out first. Sir, part of what we are doing is, first is making sure that we keep our servicemembers going through their treatment to the point where they really are ready to transfer. So we are not transferring them out before their behavioral health therapy is done. We have 80 percent of those that are diagnosed with PTSD actually remaining on active duty. So we are talking about that 20 percent. So those 20 percent that have a diagnosis, that go through the disability system, we focus on care coordination, to a warm handoff to the VA.

We also coordinate with the care coordinators that they have nationally, where they oversee the personnel and so making sure that there is a warm handoff that is there, and then if they are going back into a Reserve unit, National Guard, or Reserve, then there is that warm handoff from the behavior health providers to the providers in those units.

Mr. WOMACK. In the interest of time, Admiral Nathan, General Travis, is your program similar in that there would not be a transition until the servicemember is ready?

Admiral NATHAN. That is correct, sir. In all of our facilities, and any patient who has a significant issue is generally followed by a case manager. That assigned case manager also works with VA liaison personnel. The challenge, to be honest, and this is opening the wound the chairman was talking about, is that often, we can

get the individual to the VA, but when they get there sometimes, it is not easy for the VA to see what has happened unless they bring their paper record.

As Dr. Woodson alluded to, we are working on trying to increase the interoperability of the medical record so that there won't be that lag in clinical understanding, but that is still a challenge for us.

General TRAVIS. I have nothing to add, sir.

CONCUSSIVE INJURIES

Mr. WOMACK. Okay. Last month, the Journal of Head Trauma Rehabilitation suggested that a blast, an IED blast, as an example, can affect a soldier, even if he doesn't have manifesting symptoms right away. This means that veterans may go quite a while before they have some kind of an issue like a PTSD or depression. What are we doing to reach out to these veterans and some of these occurred well before we got better at this game. So back in the early part of the new millennium, when the war was first starting, so are we going back and reconnecting and drilling down on those particular members?

Admiral NATHAN. I will take a stab. This is, I think, a fairly good news story. We are not ready to hang the "mission accomplished" sign up yet, but we now treat concussions and blast injuries in a radically different way than we did at the start of the war. Number one, you are entered into a concussion registry so that we can follow you longitudinally and maintain, just as we do in trauma and cancer. In addition, when you sustain a blast injury or any hallmarks of a concussion, you are pulled out of the battle. You are pulled out of the busy system. This is onscene in theatre Camp Leatherneck in Afghanistan our concussion restoration care center, treats mild to moderate to severe concussion, you are now pulled out and sent to Camp Leatherneck and given reactive tests until you are deemed ready to return to duty.

This protocol has been so successful it has been transferred now to sports, both college and high school. So I think, to answer your question, sir, a patient who sustains a concussion today or in the recent years is going to be followed via a good registry. We will be able to document. The individual will be able to go to the VA and with documentation to show the affliction. Prior to the war, we weren't likely doing that complete a job area.

General HOROHO. And, sir, if I could just make one quick comment. Eighty-five percent of our concussions are actually attributed to garrison, either, you know, injury, car accidents and sports and those types of things. So we learned from the protocol that we had a joint protocol in theater. We have now standardized that across the garrison footprint, and then we are actually putting those individuals into the registry as well.

Mr. WOMACK. I am sure it would be safe to say that society has benefitted from the tragedy of having some of those head trauma happening in our conflicts over the last decade plus.

Finally, General Horoho, I mentioned in my first round, Brendan Marrocco.

SERGEANT BRENDAN MARROCCO

General HOROHO. Thank you, sir, for the opportunity to be able to continue to tell his story. He is actually doing well. He is still at Walter Reed right now. He has actually been fitted with two prosthetic legs. His brother, who was giving 24/7, you know, support, now doesn't have to do that because he is able to do more himself. Both of his transplanted arms are actually functioning, and probably I think the best way to say how this has made an impact is that when the National Anthem was being sung, he himself realized in the middle of it that he had his hand on his heart.

So, to me, if that doesn't strike to why it is important that we preserve our military healthcare capabilities, support research, and keep that warfighter mentality and that spirit, I don't know anything else that does.

So thank you, sir.

Mr. WOMACK. It is an amazing story. And I am just so very, very thankful for the things that we have been able to do, and credit goes to a lot to the leadership espoused by the people sitting at this table today.

And Mr. Chairman, I truly appreciate their service.

DEFENSE HEALTH AGENCY

Mr. FRELINGHUYSEN. I echo your comments and relative to the issue of research, we get visited by many who support the congressionally directed medical research program, and they perform, I think, very well, some innovative things. They do things that are highly risky but obviously substantiated before they initiate them. The Services, the three of you, as Surgeons General, are currently responsible, and I mentioned that you have intimate knowledge of these investments. However, there is a transition, isn't there, to moving some of that responsibility over to the Defense Health Agency? Isn't that true? That occurred in October of last year.

So tell me what the Defense Health Agency does. It is the policy maker for the military healthcare system, but are they going to substitute their judgment for your individual and collective judgment? What is the working relationship by the creation of this new agency? Or are you the three pillars of that agency? Or is there somebody else that is—

Admiral NATHAN. If you ask us, we are the three pillars of the agency.

Mr. FRELINGHUYSEN. I am not going to mention anybody else's name, although I am aware of other names.

Admiral NATHAN. As a user of the system and as a member of the club, Mr. Chairman, the Defense Health Agency is designed to shoulder some of the services that we provide, ranging from facilities, acquisition, logistics, pharmacy, information management.

Mr. FRELINGHUYSEN. I mean, they are involved in the, dare I mention it, the electronic medical records, too, or are they separate from that?

Admiral NATHAN. They are involved in a very big way in that.

Mr. FRELINGHUYSEN. Okay.

Admiral NATHAN. Because it is an example of something that should be standardized and useful across all of the Services. We in

the Services have some very capable but yet redundant and sometimes working at cross purposes. We are fans of trying to standardize those, remove redundancies, create efficiencies, and allow those to be provided to us and guided to us in the same way the Defense Logistics Agency does for logistical support of the three Services.

So we look at them, or I guess I speak for myself, and perhaps the others, I look at it as an organization that is going to support me in my requirements. I have requirements for information management, pharmacy and others. I have requirements in order to execute my mission. I look to the Defense Health Agency to support me in those requirements.

Mr. FRELINGHUYSEN. Well, I have confidence in all three of you, and I am not sure I need to have you all respond, but I just, if we look to the future, sometimes at some point in time after so many years of dedicated service, you may not be on the scene. You may be replaced by equally able men and women. There is a tendency sometimes for people to migrate, agencies to migrate and sort of subsume, you know, your traditional, your traditional remarkable roles, and I just sort of thought I would raise the question. You are giving me a level of assurance at least for this generation of leadership, that that is not going to happen.

Anything further, Mr. Visclosky?

INVESTING AND MAINTAINING MEDICAL PERSONNEL

Mr. VISCLOSKY. Chairman, two lines of question if I could. One, talking about having been at war for nearly 13 years, could you explain any investments you think we need to make today to ensure that the skills and knowledge that have been gained at a great price, are, if you would, institutionalized and remain in place? Do you have any current state of manning problems as far as some of your specialties or units? Do you need incentive programs or other intangibles to make sure that some of that medical force personnel maintains that readiness you have today?

And then I have one more question. But just, how do we keep that energy and expertise that has been purchased at such a high price? How do we maintain them? Do we have a role here as far as any program you are concerned about?

General HOROHO. Thank you, sir, if I have the opportunity, and I am sure my colleagues would like to comment as well. I think it is, first, vital that we recognize that our military treatment facilities are our readiness platforms and that it is not the same as, say, civilian healthcare. We have got to make sure that we are investing in the infrastructure, the capabilities, and the programs that allow our graduate medical education programs to remain at the tip of the readiness spear on how we attract, I think, some of the best and brightest scientists across our Nation and healthcare providers. I think that is important.

They are the platforms that allow us to maintain that combat capability and knowledge that we had on the battlefield. We have got to be able to take care of our retirees, which is the complex care that allows us to maintain some of the skill sustainment. I think it is important that we continue to invest in technology so that we can use all of the capabilities that are emerging out there for skill

sustainment and then look at those partnerships within the civilian community where we need to.

Mr. VISCLOSKY. Okay.

General TRAVIS. I had a brief comment, sir, if you don't mind.

Mr. VISCLOSKY. Sure.

General TRAVIS. I would echo everything Patty said, but I would also add, with the budget pressures we have had in the last couple of years, research dollars are sometimes the first to go. That, and facility sustainment, restoration, modernization. And on the other hand, and you say, gosh, you know, it makes sense if we are just trying to provide good care. But to really take advantage of all of the data that we have been able to collect in this war, thanks to the trauma registry, and a lot of our experience, you really do now have to use the research dollars to mine that data, to really get the lessons out of that data because we have been collecting it.

We continue to collect it, but that research has to continue for years to really understand what you have collected and to learn the lessons. We are doing something on Air Evac, saying, what is the timing of really getting people back? Can you move them too fast? We are going to learn a lot by mining the data. But I would just tell you that protecting research dollars is just so important. Patty mentioned it. I would echo it.

Mr. VISCLOSKY. Is there a specific line item that would be related to that observation as far as research? Because obviously, there are a lot of research dollars being spent.

General TRAVIS. I think we could all probably come up with some line items.

WOMEN IN COMBAT

Mr. VISCLOSKY. Final issue is with the increased participation of women in the military, and particularly more active combat roles, if you would, are there any medical developments as far as women who have been deployed in areas of combat that have evolved and changed? And also, are there positions that may have been closed to women in medical services that are being opened now?

General HOROHO. I can start, sir. We stood up a Women's Health Task Force over 2 years ago getting feedback from a sensing session, over 200 women from all Services in Afghanistan, and we took their feedback. It is now a tri-Service and we included the VA in this task force. It has led to changes in body armor. It has led to educational changes in the predeployment, deployment, and redeployment, changes in behavior health, how we actually manage and provide a little difference in the way that we support our women versus our men because the experience is different. It is coming out with actually some tests where for urinary tract infection and other female types of illnesses, so that they don't have to go to a provider. They can actually do self test and get the medication in theater because that was one of the concerns. And then it came out with a urinary device that has already been deployed, based on comments that came in the field.

So I think we have stood up a women's health service line, so that we standardize and really look at the care to women across every aspect of the provision of care. And then lastly, there is work going on with the Natick Labs that is looking at not just females,

but what is the standard for men and women to participate in any one of our military occupational specialties so that we have a common standard that is there.

Mr. VISCLOSKY. Thank you.

Thank you, Mr. Chairman.

Mr. FRELINGHUYSEN. Thank you.

Let me just add another point. You know, often the focus is half of the people that are homeless on the street every night are veterans, and often the assumption is that it is men, but in reality, some of those are women. So I don't mean to put a point on this issue of electronic medical records, but in reality, we need this relationship to come together sooner rather than later.

But on behalf of the entire committee, I want to thank you all for your military service and for representing the best of America, those men and women in uniform, and many in civilian capacity who have served our country as well. We are enormously proud. Your job is, you know, so important, and we know you do it well. We are proud of you. We stand adjourned.

[CLERK'S NOTE.—Questions submitted by Mr. Cole and the answers thereto follow:]

INTEGRATED DISABILITY EVALUATION SYSTEM

Question. With the majority of the troops being soldiers, How many troops have proceed through IDES, what is your goal for servicemember to process through the system and have you improved on your goal of 295 days for getting servicemembers through? What funding is included in the FY15 budget request for IDES and what will it be used for?

Answer. From the inception of the IDES in 2007, through the end of February 2014, the Army has completed 46,758 cases, with 38,586 from the Active Force, 2,976 from the Army Reserves, and 5,196 from the Army National Guard. Although it took Active Component Soldiers an average of 402 days to complete the IDES process in February 2014, this is an improvement over the 433 day average in February 2013. Approximately 20% of cases were completed within the 295 day standard.

Significant progress has been made in the medical evaluation board phase over this past year. The Medical Command (MEDCOM) established the IDES Service Line (SL) which centrally standardized processes across the command by developing a comprehensive IDES Guidebook, streamlined case processing, increased collaboration at the Military Treatment Facility level, and established MEB remote operating centers to increase capacity and address the RC Case backlog, while creating scalable solutions for surges in IDES referrals. As a result, MEDCOM was able to reduce the number of days spent in the MEB phase from 168 days in November 2012 to 86 days in February 2014—a reduction of over 80 days. Currently both the Army and VA are meeting the medical evaluation standards of 100 days for Active Component and 140 days for Reserve Component Soldiers in over 80% of cases; a significant improvement from 40% in November, 2012. The Army continues to partner with VA to resolve the surplus of cases waiting for rating determinations, but the Army fully expects to meet the 295 day goal for all Active Component cases and 305 day goal for Reserve Component cases by 2Q of FY 2015.

The Army's total IDES funding request for FY 15 is \$144.2M. MEDCOM's portion is \$131M and the Army Human Resource Command (AHRC) portion is \$13.2 M. The MEDCOM budget request funds for personnel costs; OCONUS IDES travel for Soldiers overseas who travel to CONUS for the process; and supplies and equipment. The AHRC budget request funds personnel costs, travel of Temporarily Retired Soldiers for Temporary Disability Retirement List re-evaluations, IT application support, supplies and equipment.

TRICARE

Question. Only about 40 percent of civilian mental health providers take these patients compared with 67 percent of primary doctors and 77 percent of specialty patients. With a decade of deployments, even in the best of circumstances there will

be a demand for mental health care. With the impact deployments have had on servicemember's families and those that have served, how do you plan to work with providers to ensure the benefit is available to those that need it?

Answer. For the Military Treatment Facility (MTF) direct care system, the Services have robust staffing models, including the Psychological Health Risk-Adjusted Model for Staffing (PHRAMS), which was developed as a tool for the Services to define the appropriate number and mix of mental health personnel to meet the needs of Service members, retirees, and their families. PHRAMS enables the Services to make adjustments in planning assumptions to meet the mental health demand of individual beneficiary communities. Additionally, the Department's staffing of behavioral health providers (psychologists, social workers, and psychiatric and mental health nurse practitioners) in the Patient Centered Medical Homes in the MTFs will allow beneficiaries to access mental health services in the primary care, where they most often go to seek care.

In the purchased care system, TRICARE has implemented many initiatives to ensure psychological services meet current and anticipated demand for our Service members, retirees and their families. TRICARE, through the Managed Care Support Contractors (MCSCs), has established networks of civilian providers world-wide and has flexibility in expanding or changing the composition of the network in response to changes in MTF capability and capacity. Ongoing efforts by the MCSCs to ensure provider availability include: monitoring of mental health network adequacy; on-line invitation and education for clinicians on becoming a TRICARE provider; local initiatives to outreach to mental health providers to build the network when shortages are identified; and quality monitoring and reporting of claims processing times as measured against benchmarks, which demonstrate that TRICARE is a timely payer and therefore an attractive network to join. The Department also works with professional organizations to increase awareness of the TRICARE benefit. For example, the Department met with representatives from the American Psychological Association on March 27, 2014 to discuss strategies to increase civilian psychologist awareness of and participation in TRICARE.

Additionally, increasing familiarity and competence when working with military beneficiaries, DoD and the Department of Veterans Affairs have jointly developed and disseminated four online training modules on military culture with free continuing education credit (available at <http://www.deploymentpsych.org/online-courses>). The release of these modules will increase VA, TRICARE-network, and non-network provider knowledge about military ethos and its impact on psychological health and treatment.

The Department has also developed criteria for licensed mental health counselors to practice as independent mental health providers under TRICARE, and the anticipated publication of these criteria in the Federal Register will positively impact the pool of available mental health providers under TRICARE in the years to come.

Finally, the Senate Armed Services Committee (SASC), via the National Defense Authorization Act for 2014 (Title V, Subtitle C, "Mental health counselors for service members, veterans, and their families") Committee Report, has directed the Secretary of Defense and the Secretary of Veterans Affairs to provide a joint report that describes a coordinated, unified plan to ensure adequate mental health counseling resources to address the long-term needs of all members of the armed forces, veterans, and their families. As part of this request, the Department is conducting a formal review of current mental health staffing and resources against future demand. This report will be submitted to Congress in September of 2014.

Question. How can you prevent a decrease in the number of private medical providers who accept TRICARE? What specialists are least likely to accept TRICARE and what plans are in place to fix this gap in care?

Answer. Like most civilian health insurance plans, the Department of Defense has experienced limited gaps in children's subspecialists, certain select medical subspecialists, and certain mental health services (Residential Treatment Centers, Partial Hospitalization, etc.). When sufficient providers cannot be recruited to join the TRICARE network, the TRICARE contractors ensure access to these services by coordinating with and authorizing reimbursement to non-network providers when necessary to ensure care is routinely available. TRICARE has multiple contract vehicles and tools (such as locality-based waivers) to ensure access to both primary and specialty care.

The Department maintains civilian provider networks in Prime Service Areas (PSAs) under the TRICARE Prime Program around active military installations and former Base Realignment and Closure sites. Our regional TRICARE contract partners ensure sufficient numbers of primary care and specialty network providers to meet the needs of the beneficiaries living in each PSA. The contracts include specific network adequacy requirements. If needed services are not available in the network,

the Managed Care Support Contracts (MCSCs) must find a non-network provider to provide the required services.

The network is developed based on population, eligible beneficiaries, need/demand and claims data. To ensure network remains adequate, the MCSC is required to monitor the network, provide performance reports and corrective action reports in the event there is an indication of any network concerns.

In non-PSAs, Congressionally mandated civilian provider surveys show 8 out of every 10 civilian physicians accept new TRICARE patients if they are accepting any new patients. Beneficiaries who are not enrolled in TRICARE Prime can seek services from any TRICARE authorized provider. Each of the regional contractor websites' has a look-up tool where beneficiaries can locate non-network providers that have treated TRICARE beneficiaries in the past.

DRUG POLICIES

Question. What is being done to ensure that medications given and prescriptions written in theater are being adequately recorded in a servicemember's medical file?

Answer. We have developed an interface between the Pharmacy Data Transaction Service (PPTS) and the Theater Medical Data store (TMDS) to receive ambulatory prescription information on Service members in theater via a weekly data feed. The DoD Pharmacy Data Transaction Service (PDTS) is a centralized data repository that records information about prescriptions filled worldwide for Department of Defense (DoD) beneficiaries through Medical Treatment Facilities (MTFs), TRICARE Retail Network Pharmacies and the TRICARE Mail Order Pharmacy. The PDTS integrates theater prescription data into the medication profile of each Service member, which also contains prescription information from Military Treatment Facilities, Retail pharmacies, the DoD Mail Order program, and VA pharmacies. On April 17, 2012, PDTS began capturing weekly files from the TMDS for prescriptions that were dispensed in theater. As of April 6, 2014, PDTS has captured over 1.3 million theater prescriptions, which includes historical prescriptions dating back to April 2011. This enhanced interface capability, 1) enhanced patient safety by including theater prescription data into the PDTS Prospective Drug Utilization Review (i.e. Drug-Drug interaction checks) processes and, 2) improved visibility and reporting of medications that are dispensed in theater.

Question. What is being done to ensure that all prescriptions, from both Military Treatment Facilities and private sector care physicians, are being tracked? What do you need in terms of authority to implement a Drug-Take Back program?

Answer. The DoD Pharmacy Data Transaction Service (PDTS) is a centralized data repository that records information about prescriptions filled worldwide for Department of Defense (DoD) beneficiaries through Medical Treatment Facilities (MTFs), TRICARE Retail Network Pharmacies and the TRICARE Mail Order Pharmacy. PDTS has processed over 2.1 billion transactions since it was fully implemented in 2001. The PDTS conducts on-line, real-time prospective drug utilization review (clinical screening) against a patient's complete medication history for each new or refilled prescription before it is dispensed to the patient. The clinical screenings identify potential patient safety or quality issues such as potential adverse reaction between two or more prescriptions, duplicate prescriptions, therapeutic overlaps and other alerts which can be immediately addressed to ensure the patient receives safe, quality care. In addition to the over 100 million prescriptions processed real time in FY2013 through retail, mail and MTF pharmacies, the PDTS also captures member submitted claims (paper claims) for reimbursement, claims from the VA for dual eligible members via information sharing processes, as well as Theater prescription data from weekly feeds from the theater medical data repository since April 2012.

The DoD has been closely working with the Drug Enforcement Agency (DEA) on the *Disposal of Controlled Substances* rule. Recently, DEA informed DoD that they will update their proposed rule that will allow DoD hospitals/clinics with a pharmacy on site to receive "collector" status, with authorization to conduct drug take back programs. The DoD will establish policy and coordinate it Service-wide for implementation of a prescription medication take-back program after publication of the DEA final rule.

[CLERK'S NOTE.—End of questions submitted by Mr. Cole. Questions submitted by Mr. Aderholt and the answers thereto follow:]

COST SHARING FEES

Question. During the hearing, a question was raised that it appears that the Cost Sharing fees have been split between the ranks of “E-4 and below” and “E-5 and above.” It is concerning that an E-5 would pay the same cost share as an O-6, when the difference in base-pay salaries between the two ranks is around \$7,000 per month when you factor in typical service years.

Can you elaborate on how the Department plans to rectify this situation?

Answer. TRICARE currently differentiates some of its cost shares by this same break—E-4 and below, E-5 and above. The PB 2015 proposal continues that practice.

TRICARE PARTICIPATION FEES

Question. TRICARE Participation Fees for military retirees are inflated annually based on the cost of living adjustment percentage. Recently, there has been much discussion about “freezing” the COLA increases for military retirement pay.

Would the department oppose “freezing” the TRICARE Participation Fee for retirees, if the COLA increases for retirement pay become “frozen?”

Answer. The Department’s proposed legislation ties the TRICARE Participation fee to the Cost of Living Adjustment (COLA) percentage increase. If COLA was to be “frozen,” the Participation fee would be also.

[CLERK’S NOTE.—End of questions submitted by Mr. Aderholt. Questions submitted by Mr. Visclosky and the answers thereto follow:]

JOINT LAB WORKING GROUP

Question. Dr. Woodson, in January 2013, TRICARE discontinued coverage of over 100 laboratory developed tests (LDTs) when performed by providers outside the Military Treatment Facility (MTF) system. This change in coverage came amidst efforts to reduce Defense Health Care costs by encouraging TRICARE beneficiaries to use MTFs. The result, however, was a sweeping lack of coverage for basic, non-invasive laboratory tests that allow early diagnosis and monitoring of acute and chronic illnesses, including Cystic Fibrosis and certain cancers. While beneficiaries retain coverage for such LDTs at MTFs, TRICARE no longer covers these same tests when conducted by civilian providers. Obviously, this places TRICARE beneficiaries who do not live near MTFs at a distinct disadvantage. They must decide between the price of travel to the nearest MTF and the price of the routine LDT at their local civilian provider. Regardless of the situation, they must pay for their care.

Dr. Woodson, I understand that a “Joint Lab Working Group” is considering this issue, and that some LDTs have been reinstated for coverage. What further progress has the working group made with regards to restoring these laboratory tests to TRICARE beneficiaries?

Answer. In January 2013, new Current Procedural Terminology (CPT) codes were adopted. These codes provided payers, including the DoD, greater transparency on specific LDTs that (1) have not been approved or cleared by the Food and Drug Administration, and/or (2) failed to meet TRICARE criteria for coverage (e.g., demand genetic testing that is not medically necessary and does not assist in the medical management of the patient). Consistent with these changes in CPT coding, those LDTs moved to the government’s “no-pay” list, could not legally be reimbursed by TRICARE.

It came to TRICARE Management Activity’s (TMA now DHA) attention that some of the lab tests on the no-pay list were FDA cleared and met coverage criteria in certain circumstances. As a result TMA updated the no-pay list and removed those tests.

For the LDT Demonstration Project, the Lab Joint Working Group (LJWG) met in March and reviewed a significant number of LTDs. The LJWG prioritized a list of LTDs and systematically evaluated them for safety, efficacy, and clinical indications. Many of the LTDs assessed are being ordered by providers at military treatment facilities. A significant number of the LTDs reviewed were recommended for coverage. Those LTDs approved will be covered under the demonstration.

Question. If the working group determines these LTDs will permanently drop from TRICARE coverage, how will TRICARE compare to the coverage offered by other government healthcare or commercial health insurance plans with regards to LTDs?

Answer. Under the demonstration project, the Lab Joint Working Group has reviewed a significant number of LDTs for safety, efficacy, and clinical indications. The Working Group will review coverage policies of other government healthcare and commercial health insurance plans for comparison purposes.

Question. Will this working group conduct analysis on how many TRICARE beneficiaries will be forced to travel distances of greater than 50 miles in order to have these LDTs performed at the nearest MTF?

Answer. Those LDTs approved under the demonstration will be available to beneficiaries and providers in the purchased care network. As a result, beneficiaries will not have to travel to MTFs to have LDTs done. Tests can be ordered by the beneficiary's physician and obtained through locally available resources.

[CLERK'S NOTE.—End of questions submitted by Mr. Visclosky.]

THURSDAY, APRIL 3, 2014.

FY 2015 NATIONAL GUARD AND ARMY RESERVE

WITNESSES

GENERAL FRANK J. GRASS, CHIEF, NATIONAL GUARD BUREAU
MAJOR GENERAL JUDD H. LYONS, ACTING DIRECTOR, ARMY NATIONAL GUARD
LIEUTENANT GENERAL STANLEY E. CLARKE, III, DIRECTOR AIR NATIONAL GUARD
LTG JEFFREY W. TALLEY, CHIEF OF THE U.S. ARMY RESERVE

OPENING STATEMENT OF CHAIRMAN FRELINGHUYSEN

Mr. FRELINGHUYSEN. The meeting will come to order.

This afternoon the committee holds a hearing on National Guard and Army Reserve readiness. We will focus primarily on near-term readiness issues related to personnel, training, equipment, modernization, reset, and the effects of fiscal constraints on readiness.

The committee is very concerned about the readiness of the National Guard and U.S. Army Reserve following over a dozen years of war. Your soldiers and airmen have performed magnificently in Iraq and continue to perform with distinction in Afghanistan and, may I say, have done multiple deployments, and we recognize that. And they have done incredible work throughout the world. And we also recognize the sacrifice of their families and, may I say, your families.

We are pleased to welcome four distinguished general officers as witnesses:

General Frank J. Grass is the chief of the National Guard Bureau, a permanent member of the Joint Chiefs of Staff, represents more than 460,000 citizen-soldiers and airmen in the Army and Air National Guard. General Grass has appeared before this subcommittee in his capacity as chief on several occasions.

So special welcome to you again, General Grass.

Lieutenant General Stanley E. "Sid" Clarke, III, is the director of the Air National Guard. This is General Clarke's second year to testify before the committee.

General, we appreciate the experience and expertise that you bring to this hearing.

Major General Judd Lyons is the acting director of the Army National Guard. This is General Lyons' first year to testify before the committee.

We welcome you, General Lyons.

And, finally, we are pleased to welcome the Chief of Staff of the Army Reserve, Lieutenant General Jeffrey W. Talley. He, too, has previously testified before the committee.

Gentlemen, all of you are welcome. We are eager to hear your testimony, which will assist the committee to better determine the

needs of Guardsmen and Reservists, whether at home stationed or deployed around the world. The subcommittee, with the benefit of your testimony, will gain a better understanding of the material needs of the services.

Additionally, at the request of the Army, the Secretary of Defense recently approved a plan for the Army aviation restructure. This plan, billed as a Total Army solution, appears not to have considered Reserve component alternatives as a solution, thus leaving the Army Guard with no attack helicopters.

This initiative appears to be driven by financial constraints on the part of the Army. We will seek further clarification and clarity regarding this initiative. Still, given limited resources, this committee will continue to do everything possible to ensure adequate funding for the equipment, modernization, and readiness for both your homeland and wartime missions.

Generals, we look forward to your testimony.

But, first, I would like to yield some time to the ranking member, Mr. Visclosky, for any comments he may wish to make.

Mr. VISCLOSKY. Chairman, I appreciate you holding the hearing.

And, gentlemen, await your testimony. Thank you very much for your preparation and your participation.

Mr. FRELINGHUYSEN. General Grass, good afternoon.

SUMMARY STATEMENT OF GENERAL GRASS

General GRASS. Good afternoon, Chairman, Ranking Member Visclosky, members of the committee. It is an honor and privilege to be here today.

And before I start, I would just like to ask that we all continue to keep in our thoughts and prayers the Fort Hood community, who suffered the tragic loss yesterday.

With that, I have with me today General Clarke and General Lyons. They will go into more detail. I will try to stay at the strategic level, but they have great detail about the Army and Air Guard today. They are great wingmen here with me.

The National Guard does three things very well. We fight our Nation's wars, defend the homeland, and build enduring partnerships, both overseas and at home with the Army and Air Force. The National Guard is accessible, ready, and capable and, I might add, it provides a significant value to the taxpayers.

None of this is possible without the support we have received from this committee and our parent services. The investments made in the National Guard as an operational force have served the Nation well over the past 12-plus years. Also, the support we have received in the form of the National Guard and Reserve equipment account has been invaluable.

Today, the uncertain fiscal environment we face is impacting the Guard. Congress provided some relief with the Bipartisan Budget Act, but the Army National Guard fiscal year 2015 budget is projected to decrease by 7 percent from fiscal year 2014 levels. This reduction degrades readiness of the operational force, which General Lyons will address in more detail.

With the return of spending limits in fiscal year 2016 and beyond, the Budget Control Act will further impact the National Guard. This will diminish Army and Air National Guard combat

power as a result of our inability to sufficiently train, modernize, and recapitalize our force.

We also face the prospect of a reduction in the Army National Guard end strength to 315,000 by 2019. This is below the minimum-level risk, and it places at risk the Defense Strategic Guidance.

Also very concerned about the future of Army and Army National Guard rotary wing aviation. I agree with the Total Army that the divestiture of the TH-67 training aircraft and the OH-58 Scout helicopter is required to meet future funding levels and a viable rotary wing fleet for the future. However, I do not agree with the proposal to take all of the Apaches out of the National Guard.

We have provided an alternative solution that would transfer about 40 percent of the Apaches from the Army National Guard to the active component while retaining sufficient Apaches to maintain six attack battalions in the National Guard.

This provides strategic reversibility and maximizes cost-effectiveness with our combat-tested attack aviation capability that exists today in the Army National Guard.

Our alternative plan affects just the Apache, and our assessment is that it still achieves most of the savings needed under the aviation restructure initiative introduced by the Army.

I would like to end by stating at the very heart of the National Guard is our most important resource, our people. The well-being of the soldiers, airmen, their families, and their employers remains the top priority for every leader throughout the Guard.

We will continue to aggressively work to eliminate sexual assault and suicides across the force and maintain faith with our people, the very same people who have put their faith in us.

In summary, our national security demands the capacity and capability that the National Guard provides both at home and overseas. At one-third the cost of active component servicemembers during peacetime, the National Guard is a hedge against uncertainty in this turbulent security and fiscal environment.

Today's unprecedented National Guard readiness posture offers options to preserve both capability and capacity rather than choose between them.

Chairman, thank you for the opportunity to appear before you today, and I look forward to your questions.

Mr. FRELINGHUYSEN. Thank you, General Grass.

[The written statement of General Grass follows:]

STATEMENT BY

GENERAL FRANK J. GRASS

CHIEF, NATIONAL GUARD BUREAU

BEFORE THE

HOUSE APPROPRIATIONS COMMITTEE

SUBCOMMITTEE ON DEFENSE

SECOND SESSION, 113TH CONGRESS

ON

THE POSTURE OF THE NATIONAL GUARD AND RESERVES

APRIL 3, 2014

NOT FOR PUBLIC DISSEMINATION
UNTIL RELEASED BY
THE HOUSE APPROPRIATIONS COMMITTEE

Opening Remarks

Chairman Frelinghuysen, Ranking Member Visclosky, distinguished members of the subcommittee; I am honored to appear before you today representing more than 460,000 Citizen-Soldiers and Airmen of the Army and Air National Guard. The National Guard serves with distinction as the Department of Defense's primary combat reserve to the Army and Air Force and as the Governor's military force of first choice in times of domestic crisis. Each day Citizen-Soldiers and Airmen serving throughout the nation help to achieve our nation's overseas and domestic security objectives by doing three things extraordinarily well: fighting America's wars, protecting the homeland, and building global and domestic partnerships. These three overlapping operational missions align within Chairman Dempsey's strategic direction to deter threats, assure partners, and defeat adversaries while also providing localized, reliable, on-demand security and support to Americans within their own neighborhoods. The National Guard stands poised to build upon its 377-year legacy as an operational force deeply engrained within the foundation of American strength and values.

Today, thanks to the support of Congress and the American people, after 12 years of war the operational National Guard is the best manned, trained, equipped and led force in its history. We are able to do all of this because of our great Citizen Soldiers and Airmen. Today's

Guard is accessible, ready, and capable; and I might add, it provides a significant value to the American taxpayer.

Accessible

There is no limit to accessibility due to a full suite of authorities available to access and employ the Guard. Since 9/11 our leaders have mobilized our National Guard members more than 760,000 times for overseas operations. We have filled every request for forces while also meeting every request to support domestic response missions at home. At the same time the National Guard is present in approximately 3,000 communities and immediately accessible to their governors in the event of a domestic incident or natural disaster. The National Guard is scalable and able to provide forces for any contingency or emergency.

Ready

The National Guard is at its highest state of readiness as a result of readiness funding and equipment modernization provided by the Congress. I want to especially thank the Congress for funds provided in the National Guard and Reserve Equipment Account which have been critical to our equipment and modernization upgrades. Your support ensures that the men and women of the National Guard have the resources they need when called upon by the nation.

Air Guard units are trained organized and equipped to be an integral part of the Air Force's day-to-day operations and are able to deploy in 72 hours or less. Citizen-Airmen have the exact same training

requirements as their active counterparts and work and operate the same complex and advanced equipment. For decades the Air National Guard has conducted Strategic and Tactical Airlift, Airdrop, Air-Refueling, Combat Rescue, Close Air Support, Air Intercept, DV Airlift and Special Operation missions. In the past decade the Air Guard has taken on new mission in Cyberspace, Space and the operation of Remotely Piloted Aircraft. We have done all of these missions side-by-side with our active and reserve Airmen as a part of the Total Air Force. Indicative of this Total Force success, our integration was further strengthened last year with General Welsh's Total Force Task Force (TF2) which sought ways of greater collaboration between all of the Air Force components. This cooperation will continue with the Total Force Continuum which is a permanent office set up to guide further integration efforts.

The Army National Guard adheres to the same individual readiness requirements as the Active Army. It differs when it comes to collective training. This difference is by design. All Army units, regardless of component, follow the same training strategy. The Army strategy reflects the characteristics of the components and maintains some parts of the active Army at a higher state of readiness for nearly immediate employment. Leveraging the inexpensive cost of dwell, Army Guard units maintain sufficient collective proficiency to support leader development and are ready to quickly surge to a higher level of readiness. Our

Brigade Combat Teams culminate their progressive force generation cycle at Combat Training Center rotations like their active duty counterparts, however, we have accepted additional risk in that these rotations will decrease due to the constrained fiscal environment. If mobilized, these units can achieve Brigade Combat Team level proficiency after 50-80 days of post-mobilization training – something we accomplished when preparing for Iraq and Afghanistan. When deployed for operational missions Guard and Active Army units are indistinguishable. Army Guard Brigade Combat Teams will not replace early deploying Active Army Brigade Combat Teams in their overseas “fight tonight” missions. Army Guard Brigade Combat Teams are well suited for surge and post surge mission sets.

The National Guard is the “fight tonight” force in the homeland; ready to respond rapidly and decisively to the Governor’s requirements. Just as the active Army and Air Force are forward-deployed around the world the National Guard is forward-deployed in communities across America. This forward presence saves lives.

Capable

The capability of the National Guard is exactly as it should be today. Our units, Soldiers and Airmen have accomplished every mission assigned to them, including the broadest range of mission sets possible: from Brigade Combat Teams conducting counterinsurgency operations and Combat Aviation Brigade deployments, to expeditionary Wings

operating around the world, as well as non-standard units such as Agribusiness Development Teams. We have done all of these missions side-by-side with Total Army and Air Force partners.

The Air National Guard is especially integrated in the Total Air Force operational capability, and plays a critical role in the Air Force's five core missions of air and space superiority; intelligence, surveillance, and reconnaissance; rapid global mobility; global strike; and command and control. That is why it is so important that the National Guard be recapitalized concurrently with the active component so that our capability matches that of the rest of the Total Force. Absent relief from the Budget Control Act sequester this crucial recapitalization is in jeopardy.

The Army National Guard allows the nation to rapidly expand the Army through mobilization with trained and ready units. The only way you can do this is if the Army Guard has sufficient capacity with the same training, organization and equipment maintained at appropriate readiness levels. Maintaining an Army Guard with similar force structure to the Active Component is important to growing future combat leaders and providing the necessary strategic depth we need in our land forces.

Domestically, we have proven time and again our ability to meet the needs of the governors and our citizens, regardless of the scope of the crisis. Whether responding to a natural disaster such as Hurricane

Katrina or Sandy, Colorado flooding, California wildfires, or the Boston Marathon Bombing, the National Guard is everywhere when it is needed.

Value

As an adaptive force capable of rapidly generating as-needed forces, today's National Guard offers significant fiscal value to the nation for tomorrow's turbulent security environment. The National Guard's lower personnel costs and unique capacity-sustaining strengths also provide efficiencies to free up critical resources for Total Force modernization, recapitalization, and readiness. At one third of the cost of an active duty service member in peacetime the Guard provides a hedge against uncertainty while allowing us to address our fiscal situation. Furthermore, every dollar invested in the National Guard allows for a dual use capacity that provides the Governors and the President capabilities to meet the demands both within and beyond U.S. borders.

The Department of Defense faces tough decisions on how to balance readiness while preserving force capacity as a strategic hedge in an uncertain and complex world. In Fiscal Year 2016, if BCA level sequester cuts are imposed, the Department of Defense and the National Guard will have to make even more difficult decisions than those in this budget request. We will face greater reductions in manpower, and our modernization and recapitalization efforts. As a Total Force, this will impact the National Guard's ability to provide forces for overseas and

domestic contingencies. However, as we move forward in this difficult financial environment, today's unprecedented National Guard readiness posture offers options to preserve both capability and capacity rather than choose between them. This investment should not be squandered.

Accountability

Ensuring the National Guard is an effective and accountable steward of public resources begins with every Soldier and Airman. Innovations that improve efficiency must continue to be encouraged and implemented. Everyone in the National Guard—from general officers to privates and airmen—must adhere to, and embody, the ethical standards articulated in our core values.

Our responsibility must be to ensure that the American people feel confident that our actions, with regard to the use of resources, are above reproach. We must audit activities, both inside and outside of the National Guard Bureau, to bolster an environment of full accountability if we hope to continue to earn the respect of the American public and to recruit the best and brightest that America has to offer.

We are currently doubling our efforts to ensure that we remain good stewards of the taxpayer's money. Despite having an already lean headquarters we have followed the Secretary of Defense's directive to decrease our headquarters staff by 20%. We are completing a major overhaul of our contracting process through a number of steps, to include a revamped organizational structure to provide greater senior

leadership oversight, improved formal training, an internal contract inspection program, and a rewritten National Guard Acquisition Manual. We will continue to actively advance our methods of increased accountability as we hold ourselves to the highest standards of fiscal ethics and integrity.

The Future

Looking to the future, there are three things the National Guard will continue to do for this nation extremely well. First, we will be prepared to execute the warfight as the proven combat reserve for both the Army and Air Force. Second, we will protect the homeland as the “fight tonight” force in our local communities. Finally, we will continue to build enduring partnerships both at home and abroad.

Fighting America’s Wars

The Department of Defense continues to meet the challenges posed by the persistent, evolving, and emerging threats and to engage around the world. The operational capabilities of the National Guard are an integral part of these efforts. Over the last decade, the American people’s investment has ensured the National Guard is an operational and integral force. Some 115,000 Guardsmen have two or more deployments. Furthermore, in this fiscal year to date, the National Guard has deployed more than 11,000 personnel to 11 countries. However, we expect these deployments to decrease over time as the conflict in Afghanistan draws down.

There is no question that National Guard Citizen-Soldiers and Airmen training, equipment, and capabilities closely mirror that of their active component counterparts. We are also an adaptive force that is changing as the threats to the United States evolve. Continued Air National Guard missions in Cyberspace, Space and Remotely Piloted Aircraft are essential to ensure that the Guard continues to serve as a flexible deterrent to potential adversaries. Modernization and equipping of Army Guard units gives the nation a rapidly scalable land force to address threats to the United States and its allies. Sustaining the advantages of today's National Guard requires maintaining a high state of readiness through some level of operational use, relevant training, and continued investment in modernization and force structure. Thanks to the Bipartisan Budget Act we remain that strong operational force, but without further action by Congress the National Guard, along with the Army and Air Force, will have to make difficult choices about readiness and modernization.

A force of Citizen-Soldiers and Airmen that has met or exceeded established readiness and proficiency standards, the National Guard is a crucial operational asset for future contingencies. We will remain adaptable as we plan and prepare to operate effectively in the joint operational environment as part of the Army and Air Force and execute emerging missions.

Protecting the Homeland

The National Guard provides the Governors with an organized, trained, and disciplined military capability to rapidly expand the capacity of civil authorities responding under emergency conditions.

Prepositioned for immediate response in nearly every community across the country the National Guard can quickly provide lifesaving capabilities to the states, territories, and the District of Columbia. Whether it is the 3,100 National Guard members supporting recent winter storms across 12 states, seven Civil Support Teams supporting water decontamination in West Virginia, or the Dual Status Command concept in support of the Super Bowl, our Soldiers and Airmen are always ready. Should the “worst day in America” occur, our fellow citizens and state Commanders-in-Chief expect us to be there; ready to respond quickly and effectively.

The National Guard also assists U.S. Northern Command and the military services in the daily execution of federal missions such as protecting the skies over America by standing alert with fighter and missile defense units to protect our nation’s airspace and by providing immediate response against weapons of mass destruction or industrial accidents. The National Guard supports the Department of Homeland Security to assess the vulnerabilities of our nation’s critical infrastructure, assists in interdicting transnational criminals at our borders, conducts wildland firefighting, and augments security during special events. The National Guard community-based tradition spans

377 years of localized experience and national service in times of need and is America's clear first choice for military response in the homeland.

Building Global and Domestic Partnerships

Each day, the National Guard strengthens and sustains partnerships around the world and within our communities. The National Guard's innovative State Partnership Program pairs individual states with partner nations to establish long-term cooperative security relationships in support of the Geographic Combatant Commands. The State Partnership Program is a joint security cooperation enterprise highly regarded by U.S. ambassadors and Combatant Commanders around the world that has evolved over 20 years and currently consists of 68 partnerships involving 74 countries. As a result of these strong relationships, 16 partner nations have paired up with our states and deployed 87 times together. National Guard Airmen and Soldiers participated in 739 State Partnership Program events across all combatant commands in Fiscal Year 2013 alone.

The fundamental characteristics of the State Partnership Program that help define its success are, first and foremost, the enduring relationships fostered and the ability to share the National Guard's highly relevant domestic operations expertise. Additional benefits of the State Partnership Program include economic co-development, educational exchanges, agricultural growth to build food security, and support to other federal agencies such as the State Department.

National Guard civilian expertise in areas such as engineering, emergency management, infrastructure development and reconstruction are in significant demand within developing nations that are eager to partner with America, but require sustained trust-building engagements before relationships can realize their full potential. Some of today's state partnerships span more than 20 years. During that time, the individual careers of National Guard Soldiers and Airmen have matured alongside those of their counterparts in partner countries thereby creating enduring relationships. Overall, the complementary nature of the National Guard's three core competencies provides a powerful security cooperation enabler for Combatant Commanders to employ.

We also serve our individual states and the nation from within the same communities where we live and work when out of uniform. The local relationships we forge with our public and private partners provide daily benefits that strengthen communities through programs such as Youth ChalleNGe – a successful community-based program that leads, trains, and mentors 16-18 year old high school dropouts. These programs enable seamless public-private synergy.

Our People

At the very heart of these core competencies is our most important resource – our people. The well being of our Soldiers, Airmen, their families and their employers remains a top priority for every leader throughout the National Guard. We will continue to aggressively work to

eliminate sexual assault, reduce suicides across the force and maintain faith with our people – the very same people who have put their faith in us.

Prevent Sexual Assault and Harassment

Sexual assault is a crime, a persistent problem that violates everything we stand for. All of us have a moral obligation to protect our members from those who would attack their fellow service members and betray the bonds of trust that are the bedrock of our culture.

Eliminating sexual assault in the National Guard remains a moral imperative, with leaders setting and enforcing standards of discipline, creating a culture that instills confidence in the system, and a no tolerance culture for inappropriate relationships or sexist behavior.

To assist us in preventing sexual assault and harassment, in August 2012 the National Guard Bureau established the Office of Complex Investigations within the Bureau's Judge Advocate's Office to assist the Adjutants General in responding to reports of sexual assault arising in a non-federal status. To date the Bureau has certified 92 specially trained investigators that are able to assist the states and to respond to their needs when an incident of sexual assault or harassment arises. The efforts of the Office of Complex Investigations to work in close collaboration with the State military leadership has been a tremendous success and invaluable enabler in assisting the 54 states,

territories and the District of Columbia in addressing this most serious problem.

Suicide Prevention

One of the strengths of the National Guard is that we are representative of our great American society. Unfortunately, this also means that the suicide trends our society struggles with are also present in the National Guard. While suicides in the Air National Guard are decreasing, the Army National Guard rates remain high. Although there have been a below average number of Army National Guard suicides year to date in 2014, there were 119 suicides in 2013, the highest per year number over the past six years.

To better understand and address this serious issue we have taken a number of actions. We have reached out to the State Mental Health Directors and Commissioners for opportunities to partner with and establish relationships, which will allow us to ensure that appropriate state, local and community resources are available to our Citizen-Soldiers and Airmen. Furthermore, each state, territory and Air National Guard wing currently has a licensed behavioral health provider that provides clinical mental health assessments, education, information and referrals for our Soldiers and Airmen. These providers also act as subject matter expert advisors to our senior leaders. We are also working with the Air Force to learn from its superior suicide prevention program. Fortunately, Congress allocated \$10M for additional Army

National Guard behavioral health counselors in the FY14 budget. The National Guard Bureau also has representation in suicide prevention at the DoD level where we participate on suicide prevention committees and councils, and to ensure we are getting the best information and the latest research. This is a complicated problem; however, I assure you that the National Guard will engage all support programs in order to work collaboratively to address this heartbreaking challenge.

National Guard Psychological Health Program

Our Psychological Health Program provides ready access to high quality mental health services to our Airmen, Soldiers and their families. We provide support to our member in several ways. First, our state Directors of Psychological Health (DPH) are very effective at directly addressing help-seeking behaviors and reducing stigma by educating all levels of leadership about psychological health as part of force readiness. In calendar year 2013 Air National Guard DPHs worked 3,500 clinical cases, 17,000 information and referrals visits, made 54,000 outreach contacts, mitigated 243 suicides and managed 336 high risk cases. The Army National Guard intervened in 876 reported suicide attempts and ideations in calendar year 2013 and in 172 attempts and ideations for far in 2014. Second, we seek to collaborate with other organizations outside the National Guard. For instance, we work closely with the Department of Health and Human Services (HHS) to leverage services and support for our members by increasing access to behavioral healthcare and offering

mental health vouchers through the Substance Abuse and Mental Health Services Administration Access to Recovery program. Through HHS, the Health Resources and Service Administration identifies specific federally funded health initiatives and programs to better support health care needs for the National Guard population, especially in remote, rural areas. Additionally, the Centers for Medicare and Medicaid, through our close working relationship with HHS, has trained all National Guard contracted counselors on the Affordable Care Act for Guardsmen who may be uninsured or under-insured. Finally, we have a total of 174 Army and Air National Guard mental health counselors throughout the 54 states, territories and the District of Columbia that are available to our Guardsmen who are in need of assistance.

National Guard Family Programs

As Overseas Contingency Operations wind down in 2014, funding is also expected to decrease for our family readiness programs that are tied to the challenges our Guardsmen face when dealing with a deployment. Our lessons learned during the last 12 years have shown that we cannot go back to pre-9/11 assumptions with little to no support infrastructure for geographically-dispersed service members and their families. Our family programs leverage a network of strategic partnerships that enhance well-being through increased access to outreach services. For instance, 454 Army National Guard Assistance Center specialists and 91 Air National Guard Airman and Family

Readiness Program Managers are spread throughout the nation and offer immediate outreach and referral for service members and families.

Moreover, each of the 101 National Guard State Child and Youth Program Coordinators provide support to our service members' children that in 2013 saw more than 50,000 National Guard children participate in events such as youth camps and councils. Maintaining access to current services and resources, particularly those that build strong family and spouse relationships, and strengthen financial wellness and employment will pay dividends in future years as it will directly contribute to the readiness of our force.

Closing Remarks: Always Ready, Always There

The National Guard is always there when the nation calls. Whether serving in uniform or in their capacity as civilians, National Guardsmen are vested in a culture of readiness and volunteer service. Time and time again, I see examples of where innovative civilian skills complement military training in operations both overseas and at home. Likewise, the military expertise garnered from the past 12 years of consistent operational use has improved our ability to support the homeland. Whether responding to a manmade or natural disaster or planning for future emergencies with first responders, the unique combination of civilian and military experience pays tremendous dividends to the American taxpayer. At a fraction of the cost to maintain during peacetime, the National Guard is a great value as a hedge against

unforeseen threats in a complex and ambiguous world. Today's National Guard is flexible and scalable to America's changing needs on any given day. The National Guard has been and will remain "Always Ready, Always There" for our nation.

I want to thank you for your continued support of our Citizen-Soldiers and Airmen. I look forward to your questions.

SUMMARY STATEMENT OF GENERAL CLARKE

Mr. FRELINGHUYSEN. Lieutenant General Clarke, welcome.

General CLARKE. Thank you, sir.

Chairman, Ranking Member, Committee Members, appreciate the opportunity to address you. And I am honored to be a representative of the 106,000 Air National Guard members across the Nation.

Last year when I appeared, I acted like I knew what I was doing as far as the director of the Air National Guard, but I had only been on the job for about two weeks. So I only told you what I thought from field experience I had and previous experiences.

But in that time, over the last 12 months, I have gained a greater appreciation for the people we have out there. All of us should be really impressed with the generation that is coming behind us. Remarkable individuals, highly resilient, very passionate about wearing this uniform.

It makes my job easy when I get out there and visit the units, get an opportunity to talk to them, get a sense of what they think about their service.

As long as the American people keep patting them on the back and shaking their hands in airports and things like that, you are going to have a tremendous force coming forward.

I also wanted to let you know, over the last year, as a part of the Total Force, working with General Welsh and Secretary James, what an outstanding partnership we have. Clearly, there is nothing that is off the table as far as discussions with the leadership—senior leadership of the Air Force.

They have been very forthcoming, very engaging, a lot of collaboration, and we continue to focus on things as a total force and not as individual components out there. So they are looking for best solutions, best ideas, and it has just been a wonderful experience over the last year working with both of them.

And, of course, Secretary James just started 3 months ago, but I have to tell you she hit the ground running. She is doing a great job.

Mr. FRELINGHUYSEN. She sure is. Excuse me for interrupting.

General CLARKE. Yes, sir.

So, with that, I also want to tell you the partnership extends in many places, and I wanted to extend our appreciation for the National Guard and Reserve Equipment Account accounts that General Grass was talking about.

The flexibility, the speed of which we have done some modifications and everything, have brought us up to a capability that we never had before. So I wanted to express my appreciation for that, with the NGREA funds that we received.

And, also, I just wanted to conclude with we really do have a balanced strategy going forward with the opportunity to look at ourselves as a first choice for homeland operations.

We look at ourselves as a proven choice for warfighting operations, and we look at ourselves as an enduring choice for security cooperation. It is a wonderful team to be a part of.

Thank you for the opportunity to appear before you.

Mr. FRELINGHUYSEN. Thank you, General Clarke.

[The written statement of General Clarke follows:]

STATEMENT BY

LIEUTEANT GENERAL STANLEY E. CLARKE III

DIRECTOR AIR NATIONAL GUARD

BEFORE THE

HOUSE APPROPRIATIONS COMMITTEE

SUBCOMMITTEE ON DEFENSE

SECOND SESSION, 113TH CONGRESS

ON

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Opening Remarks

Chairman Frelinghuysen, Ranking Member Visclosky, distinguished members of the subcommittee; I am honored to appear before you today representing the men and women of the Air National Guard.

The Air National Guard, as both a reserve component of the U.S. Air Force and the air component of the National Guard, has seen both successes and challenges this past year. Our successes can be attributed to the hard work of the men and women of the Air Guard, who continue to exhibit the professionalism and dedication upon which the Air National Guard is built. The challenges of sexual assault and suicide prevention are being addressed and will eventually lead to a stronger Air National Guard; however, rapidly declining and shifting funding levels are having primary and secondary affects upon the future of the Air Force and the Air National Guard.

This presentation provides an overview of the past year, focusing primarily on the Air National Guard's contribution to the national defense strategy, followed by a look into the future, including areas where we solicit your continued support.

The National Guard, including the Air National Guard, is unique in its contribution to the three pillars of the defense strategy – *Protect the Homeland*, *Project Power and Win Decisively*, and *Build Security Globally*.

The inherent characteristics of the National Guard are foundational for its responsibilities to local, state, territorial, and federal authorities. Its cost-effective citizen Airmen and Soldier construct, underpin the unique qualities the National Guard brings to the table with its Balanced Strategy – *The First Choice for Homeland Operations, A Proven Choice for the Warfight*, and *An Enduring Choice for Security Cooperation*.

The First Choice for Homeland Operations

The National Guard has always been the state and territorial governors' first choice in disaster response. This is equally true of both the Army National Guard and the Air National Guard. The Air National Guard's contribution is founded in its dual-use of airpower capabilities, for while Guard Airmen are quite capable of helping with such labor-intensive tasks as filling sandbags, they are more likely to leverage the unique contributions of airpower and our Guard Airmen's extensive training for tasks such as airlifting essential supplies to the disaster area; setting up and operating emergency communications centers; transporting, erecting, and manning emergency medical facilities; or providing aircraft and/or satellite imagery and analysis essential for effective consequence management. The following are examples from last year:

- Boston Marathon Bombing (April 2013) – The Massachusetts Air National Guard transported, set up, and manned an emergency communications center, while Air Guard Security Forces cordoned

the crime scene and assisted the Massachusetts Transit Police in securing subway stations with armed and professionally trained Guard Airmen from the local community. These Guard Airmen provided order and security to a chaotic event, freeing local authorities to concentrate on securing the area and finding the bombing suspects. Additionally, Air Guard Religious Support Teams provided counseling and comfort to both private citizens and first responders.

- California Wildfires (August 2013) – Air Guard C-130s specially modified with Modular Aerial Fire Fighting Systems dropped over 211,000 gallons of fire suppressant, and the California Air National Guard's 234th Intelligence Squadron flew MQ-1 Predator remotely piloted aircraft over the fire area providing real-time, full-motion video and data analysis that was used to help direct and plan firefighting efforts.
- Southwest Border Operations – The Arkansas Air National Guard's 123rd Intelligence Squadron provided analysis of full-motion video from Air Guard RC-26 aircraft supporting U.S. Customs & Border Protection, Texas Rangers, and other civil authorities protecting our Southwest borders. This joint effort led to the seizure of over 53,000 lbs. of marijuana, 200+ lbs. of cocaine, and over 30,000 illegal individual border crossings.

- Eagle Vision – Alabama, California, Hawaii, and South Carolina Air National Guard units collected and analyzed unclassified commercial satellite images providing near real-time assistance to emergency management agencies coordinating firefighting, flood, hurricane, tornado, and other relief efforts in throughout the western U.S. and overseas including Typhoon Haiyan.

A Proven Choice for the Warfight

National Guard Airmen have participated in every American conflict since the Mexican border emergency of 1916, but when the Guard members of the Alabama Air National Guard's 117th Tactical Reconnaissance Wing volunteered in August 1990 to deploy to Bahrain in support of support Operation DESERT SHIELD, little did they know they were on the vanguard of redefining the Air National Guard. Since then, the Air National Guard has evolved from a strategic reserve, called upon primarily during national emergencies, to an essential partner in the daily operations of the Total Air Force in all five core missions: air & space superiority; intelligence, surveillance, & reconnaissance; rapid global mobility; global strike, and command & control.

Last year, over 39,895 Air National Guard men and women deployed to 48 countries as part of the Total Air Force defense of U.S. national security interests. Additionally, Guard Airmen defended the skies over our homeland and supported their deployed brethren through

U.S.-based “reach-back” capabilities including remotely piloted aircraft operations and intelligence analysis.

An Enduring Choice for Security Cooperation

The men and women of our Air National Guard also contribute to the third pillar of the national defense strategy – Building Security Globally. Over the past twenty years, the National Guard has evolved into an in-demand, low cost, high impact security cooperation partner of choice for the Department of Defense with participation in such activities as the State Partnership Program, Foreign Military Sales training, and training exercises that assist in shaping our international environment and build partner capacity.

State Partnership Program. The National Guard State Partnership Program is Department of Defense program executed at the state level using both Army and Air National Guard expertise. The program is based upon each Combatant Commanders’ security cooperation objectives for the individual countries within their areas of responsibility. Today, 49 states, 2 territories, and the District of Columbia are partnered with 74 countries around the world. The specific objectives of each country program are a joint decision between the Combatant Commander, the partner nation, and the state National Guard; however, in general, the National Guard provides a consistent and enduring relationship with the partner nation, reinforcing deterrence, building capacity of U.S. and partner countries for internal and external defense,

and strengthening cooperation between countries. The program partners engage in training, assessments, and exercises in a broad range of security cooperation activities to include host nation homeland defense, disaster response, crisis management, interagency cooperation, and border/port/airport security.

The Soldiers and Airmen of the National Guard are uniquely qualified for this program for a number of reasons. First, because Guard members often spend their entire military careers in the same unit or state, they are able to build long-term personal relationships with their partner country counterparts and provide program continuity. Second, the civilian and military skills of our citizen Soldiers and Airmen afford training opportunities outside the usual military defense training. For example, Air Guard members are also experienced in air security, constabulary operations, crisis management, disaster response, and a myriad of other civil support missions. Finally, Guard members exemplify civil-military relations and the role of the military in a democracy. Our citizen Soldiers and Airmen offer strong examples of a co-dependent, supportive relationship between the nation's political structures, civil society, and the military.

- Last year Guard Airmen worked 7,054 man-days, on 42 partnership engagements, in 13 countries including Uganda, Morocco, Jordan, Poland, India, South Korea, Thailand, Indonesia, Trinidad, Uruguay, Mexico, Honduras, and Colombia. Men and

women of the Air National Guard helped our Allies and partners improve their flying skills, equipment maintenance, aerial port operations, imagery analysis, and search & rescue techniques.

- The partnership between the state of South Dakota and Suriname, which began in 2006, is a great example of what our Air Guard men and women bring to the table in security cooperation. In 2013, led by one of our outstanding Air Guard chief master sergeants, the South Dakota Army and Air National Guard women participated in a “Women in the Military” workshop with members of the Surinamese armed force. The goal was to promote awareness, equality, and future opportunities for women in the military. As the partnership moves forward, they are broadening and deepening leadership and development while bolstering new opportunities for training and learning.

Foreign Military Training. In addition to the State Partnership Program, Air Guard members conduct flight training for foreign military aircrews through both formal schools at U.S. bases and Air Guard visits/exercises overseas. Guard Airmen trained 124 aircrew members last year from Lithuania, Norway, The Netherlands, Sweden, Iraq, Singapore, Denmark, Australia, Romania, India, Japan, Belgium, and Germany in C-130, F-16, and C-17 flight operations and maintenance.

Sustaining the Air National Guard

The men and women of our Air National Guard have accomplished great things since 1990 and Operation DESERT SHIELD. Their transformation from a Cold War era surge force to a 21st century force capable of maintaining a long-term rotational combat operations tempo has been unprecedented and would not have been possible without the support of the Air Force and Congress. We must ensure this capability is not lost; that we do not condemn the next generation of Airmen to relearn the lessons of past post-war drawdowns. We must sustain the Air National Guard capabilities within the National Guard's Balanced Strategy through the dedicated efforts of each Guard Airmen in concert with the U.S. Air Force, the Department of Defense, and Congress.

Personnel

Our Airmen are our most valuable and treasured assets upon which our success depends. Our Airmen, together with their families and employers, remain our first priority, especially in times of turmoil.

Recruiting & Retention. Some predicted that the move from a strategic reserve to an operational reserve would adversely affect our ability to recruit and retain quality people; however, the Air National Guard exceeded its authorized FY2013 end-strength of 105,700 by eight Airmen (105,708) through judicious personnel management. Last year, however, retention was disappointing as losses exceeded expectations by 15% (planned 9,072, actual 10,437). According to exit interviews, the

greatest challenge to retention was not repeated mobilizations but mission turmoil, i.e., the uncertainty caused when a unit loses its mission without a clear plan for the future. We have found the most effective counter to this challenge is the personal touch – making a concerted effort to ensure every member of the Guard family knows that we appreciate and value their contributions, and that the Air National Guard and U.S. Air Force leadership are working together to backfill their unit with a new mission.

To compensate for the unplanned increase in retirements and other departures, Air Guard Recruiters exceeded their recruiting goals by 4.5%, including an increase of 8% of prior-service personnel. But, as we move forward, the Air National Guard faces both significant opportunities and some challenges with its recruiting program. The opportunities come from the drawdown of Regular Air Force and other Services' manpower. In FY2015, the Regular Air Force end-strength will decline by approximately 16,700 Airmen. The Air Force will rely on a bevy of force management programs that include incentivizing early departure from active duty and releasing AFROTC cadets from their commitments. The Air National Guard is working with the Air Force to capitalize on these programs for possible Air Guard accessions. The challenge for the Air National Guard is that it too will be reducing its end-strength to meet budget targets. If the Air Guard is to help the nation sustain combat capability and retain access to the highly-trained personnel in which our

nation has made significant financial investment, the Air National Guard will need some flexibility in end-strength, at least temporarily.

Sexual Assault Prevention and Response Program (SAPR). Every sexual assault incident taints our Core Values and destroys unit morale – it must be eliminated. The Air National Guard’s SAPR Program is composed of five parts: prevention, advocacy, investigation, accountability, and assessment.

- **Prevention.** Acknowledging the problem and educating everyone in the organization of the problem is the first step. In January 2010, the Air Force launched an extensive education program to ensure every Airman understands the problem and knows what is expected of him or her as Air National Guard professionals.
- **Advocacy.** In January 2013, the Air National Guard implemented a Special Victim’s Counsel Program. This Program provides advice to victims on the investigative and military justice processes, victims’ rights protections, and empowers victims by removing barriers to their full participation in the military justice process.
- **Investigation.** The Air Force Office of Special Investigation (AFOSI) is charged with investigating all sexual assaults that occur in a federal or Title 10 status regardless of the severity of the allegations. For incidents that occur in non-federalized duty status, Air Guard commanders must report the assault to the local law enforcement agency. In addition, the National Guard has

opened an Office of Complex Investigations composed of Guard members with previous criminal investigation training and special sexual assault investigation training, to step-in when local law enforcement agencies decline to investigate.

- **Accountability.** In July, the Air Force established minimum administrative discharge procedures for any Airman (officer or enlisted) who commits or attempts to commit a sexual assault or engages in an unprofessional relationship while serving in positions of special trust, e.g., recruiters, commanders, or training officers and non-commissioned officers..
- **Assessment.** The Department of Defense has established common metrics and reporting procedures to collect and track statistics on sexual assault. These tools will provide the feedback necessary for early identification of adverse trends and areas for additional action.

Suicide Prevention. The Air National Guard continues to struggle with the tragedy of suicide within its ranks. In 2013, the Air Guard experienced 13 suicides, down from 22 in 2012, but still well above our ultimate goal of zero. There is tangible evidence that the addition of Wing Directors of Psychological Health in 2010 and implementation of the Air Force Suicide Prevention Program have had positive impacts; however, our team of medical personnel, chaplains, Airmen & Family Readiness Program Managers, safety personnel, Transition Assistance Advisors, and

Military OneSource counselors, together with Air Guard supervisors and leaders at all levels, continue to address this important issue.

FY2015 President's Budget

Fiscal uncertainty is nothing new to the Air Guard, but this year, with the Budget Control Act, Continuing Resolution, Sequestration, and the Bipartisan Budget Act, it felt like we were stuck in “stop-n-go” traffic. The resulting cash flow challenges, government shutdown, and furloughs damaged morale and delayed Weapon System Sustainment programs, but the Air Guard was able to maintain its flying training schedule, meet operational commitments, and mitigate the impact upon its readiness.

The President's FY2015 Budget increases the number of Air National Guard F-16 fighter wings, adds eight KC-135 aerial refueling tanker aircraft, and eight C-130J tactical airlift aircraft to the Air Guard inventory. The Budget proposal, however, reduces Air National Guard end strength by 400 personnel in 2015 and retires 27 F-15C Eagles, the entire fleet of A-10 Warthog fighter aircraft, and six E-8 Joint Surveillance and Target Attack Radar System (J-STARS) aircraft. While the Bipartisan Budget Act provided welcomed relief, the steep glideslope of the defense budget combined with increasing personnel and equipment acquisition costs is forcing the U.S. Air Force to make very difficult tradeoffs between capability, capacity, and readiness.

No one wants to give up aircraft or people, but in order to ensure we have the best Air Force ready to defend this nation at home and

abroad within fiscal constraints, tough choices must be made. The Air National Guard worked closely with the Air Force leadership to mitigate the impact upon our Guard Airmen and develop a budget that complies with the Bipartisan Budget Act, lays the ground work to restoring Air Force readiness while preparing to meet future national security challenges, and ensures the Air National Guard remains a combat ready operational force.

Equipment. Secretary of the Air Force Deborah Lee James explained the Air Force strategy in building the FY2015 budget, “we attempted to strike the delicate balance of a ready force today and a modern force tomorrow, while working to ensure the world’s best Air Force is the most capable at the lowest possible cost to the taxpayer.” The Air Force is sacrificing modernization of equipment (upgrading current equipment) and divesting older equipment to acquire the capabilities needed to defend against future challenges to U.S national security interests. The ANG, as the operator of much of that older or legacy equipment, has a slightly different challenge: we must make sure the older equipment lasts long enough to be traded in; not only lasts, but is capable of successfully accomplishing the mission if called upon in the intervening years. The Air Guard is not looking to make a Cadillac out of our old Fords, but we simply want to make sure our old Fords are up to the tasks of responding to international and domestic emergencies. For example, there are currently 139 H-model C-130s in the ANG inventory

that do not have the air traffic control systems required to operate in much of U.S. and European airspace by 2020. If we do nothing, these aircraft will sit on the ramp, essentially useless, when there is an emergency requiring rapid airlift.

Military Construction (MILCON) Projects. The Air National Guard budget proposal for FY2015 includes \$94,600,000 for military construction projects and planning and design. The Air Guard gave priority to MILCON projects supporting new missions and Air Force directed mission re-alignments; in fact, all the major MILCON projects in the FY2015 budget, \$78.6M, support new missions. While this policy has caused current missions to suffer, the Air Guard is working to address functional space deficiencies by consolidating functions and recapitalizing aging infrastructure, especially those with safety deficiencies.

National Guard & Reserve Equipment Account (NGREA). NGREA funding is extremely important to Air National Guard force structure management and domestic capability response. The program begins at the unit level as operators from each weapon system meet to identify weapon system requirements to improve the Air National Guard's capability to respond to Combatant Commanders' needs. The Air National Guard FY2014 NGREA funding strategy directed 70% towards critical modernization projects on legacy major weapon systems and 30% towards improving domestic response capabilities. In FY2015, the Air

National Guard seeks to modernize the F-15C Eagle's self-protection suite to improve its survivability in combat, to upgrade the propulsion system on our LC-130 "ski birds" to improve their ability to support the National Science Foundation mission in Antarctica and eliminate the requirement for Jet Assisted Take-Off (JATO) rockets, and modernize the electronic systems on the HH-60G rescue helicopters to improve search and rescue capability for both combat and domestic operations.

Building Tomorrow's Air National Guard – Four Pillars of the Total Force

The U.S. is unique in its ability monitor world events and to shape those events through global power projection. This ability is dependent upon airpower and its inherent domains of air, space, and cyber. Whether showing resolve by flying through self-proclaimed controlled airspace, or supporting friends with reconnaissance and surveillance of potential enemy movements, or delivering critical relief supplies to disaster areas, our nation requires an Air Force that is ready *now* to go anywhere and succeed at whatever is asked of it. We must ensure our Air Force does not fall victim to post-war apathy even as it struggles with the near-term challenges of sustaining readiness against declining budgets, weighed against the need to continually improve the capabilities to provide Global Vigilance, Global Reach, and Global Power. To face these challenges, I believe the Total Air Force must continue to invest

and focus its efforts on what I refer to as the *Four Pillars of the Total Force* – *Standards; Inspections; Operational Engagements; and Resources*.

The men and women of the Total Air Force must continue to maintain the highest personal and professional standards centered on our Core Values: Integrity First, Service Before Self; and Excellence In All We Do. Standards are not simply the rules by which we do our jobs, but how we act everyday – the pride with which we wear our uniforms, the way we treat others. The men and women in the U.S. armed services must be held to a higher standard than our fellow citizens because the trust our nation places upon us is considerably greater. It is our duty to sustain that trust by maintaining higher personal and professional standards, on and off duty. Put simply: We must do the right thing all the time.

Inspections, the second of Four Pillars of the Total Force, are critical to Total Air Force readiness. Inspections are designed to measure how well we perform our missions. They improve teamwork and unit cohesion. They allow us to measure ourselves and provide the feedback necessary for constant improvement. Inspections are also an opportunity to evaluate the rules, processes, and procedures we use to accomplish our missions. Finally, by ensuring all components of the Total Air Force use common language and procedures, inspections are the link between Standards and the third element of the four pillars: Operational Engagements.

All three components of the Total Air Force must continue to participate in Operational Engagements, be they exercises, routine deployments, or crisis responses. Operational Engagements help us to ensure the three air components continue to operate as One Air Force -- ensuring we all speak the same language, maintain the same standards, and operate with the same procedures. Total Air Force Operational Engagements alone are not enough; however, we must continue to hone our capabilities to operate with our sister services, allies, and friendly forces. Finally, “Operational Engagements” are a mindset. It is continuing to think as the warriors we have become. It is the realization that every time we go to work, we are preparing ourselves and our units to successfully answer our nation’s call.

Resources, the fourth Pillar, are fundamental in everything we do. We must have the necessary Resources to succeed, be it funding, manpower, equipment, or spare parts. While others may be responsible for appropriating and allocating the necessary Resources for us to maintain Standards, conduct Inspections, and participate in Operational Engagements, it is every Airman’s responsibility to ensure the Resources are used effectively and efficiently. Additionally, the Air National Guard performs missions in every core function of the Air Force. Therefore, it is only proper that the Air Guard recapitalize on par with the Active Air Force.

Conclusion

Managing a declining budget is one of the most challenging things the Department of Defense ever does. For the U.S. Air Force, it comes down to making difficult decisions between capability, capacity, readiness, and modernization. The Total Air Force decided to take increased risk in the near-term to ensure its future warfighting capability. It also decided to increase reliance on the Air Reserve Components by cutting their end-strength and force structure proportionally less than the reductions in the Active Component. These decisions, while agreed to, create challenges for the Air National Guard primarily in the area of near-term risk management. Because much of the older or legacy systems are operated by the Air Guard, we have the responsibility to ensure that the Total Air Force can meet today's defense commitments while waiting for tomorrow's capabilities.

Mr. FRELINGHUYSEN. General Lyons.

SUMMARY STATEMENT OF GENERAL LYONS

General LYONS. Chairman Frelinghuysen, Ranking Member Visclosky, distinguished members of the subcommittee, I am honored to appear before you today. I represent more than 354,000 soldiers in the Army National Guard.

Let me start out by echoing Secretary Hagel, General Grass, and many other senior leaders in saying that our thoughts and prayers go out to the victims and families that are affected by the terrible tragedy at Fort Hood yesterday. We are all one Army family, and we all grieve this morning at the losses we have suffered.

Every member of the Army National Guard can look back over the last 13 years with a shared sense of pride, accomplishment, and sacrifice. Since September 11, 2001, we have mobilized soldiers more than 525,000 times.

As part of our Total Army, Guard units have performed every assigned mission, from counterinsurgency operations in Iraq and Afghanistan, to maintaining the peace in Kosovo and the Sinai.

Our soldiers have repeatedly heard from the most senior leaders in the Army that they are indistinguishable from their active Army counterparts.

Furthermore, Guard soldiers have forged lasting relationships with 74 nations, and they have deployed alongside these partners to Iraq and Afghanistan nearly 90 times in the past decade.

At home, our Guardsmen and -women continue to answer the call whenever and wherever they are needed, as the responses to Hurricane Sandy, the tornado in Moore, Oklahoma, the record-setting wildfires in California, devastating floods in Colorado, and, most recently, the mudslides in Washington State all attest.

Thanks to the firm and committed support of Congress and the Army over the past 13 years, our Army National Guard has transformed from a strategic reserve to an operational force.

It is a force that is manned, trained, and equipped to serve where and when America needs us. It is a force with experienced leaders who are ready. Given the current global climate, there can be little doubt that the Guard is more important than ever.

Now, I have had the distinct privilege of serving in the Army National Guard for over 34 years both in the enlisted and the officer ranks, and I have witnessed this positive shift to an operational force firsthand.

I have gained perspective on the Federal and State missions that the Guard performs while deployed abroad and during emergencies here in the United States.

So if I could summarize my testimony today, it would be this. We must be very careful to ensure that we preserve the operational force that we have built. The Army National Guard provides our country with flexible military capability and capacity that cannot be easily replaced once it is gone.

The fiscal year 2015 budget submission required hard choices and has significant impact in personnel and our operations and maintenance funding.

The base budget request for these two accounts is just under \$1 billion below what was appropriated for fiscal year 2014. So this will require the Army Guard to accept risk in fiscal year 2015.

Our brigade combat teams will be limited to achieving individual-, crew-, and squad-level proficiency in their training, and their personnel will have fewer opportunities to attend schools and special training.

Our depot-level overhaul of our trucks will be deferred, and our armories, which average 44 years in age, will lack funding for repairs beyond those that will ensure health and safety.

However, as General Grass notes, this reduction pales in comparison to what will be required when Budget Control Act levels of funding return in fiscal year 2016.

With committed citizen-soldiers in our formations, the Army National Guard presents tremendous value to our Nation and to the communities where we live, work, and serve.

The last decade-plus of war has demonstrated our strength as a combat-tested, ready operational force, a role that, with your support, we will proudly continue to perform for the Army and for our Nation.

I appreciate the opportunity to be here today, and I look forward to your questions.

Mr. FRELINGHUYSEN. General Lyons, thank you for your testimony.

[The written statement of General Lyons follows:]

STATEMENT BY

MAJOR GENERAL JUDD H. LYONS

ACTING DIRECTOR, ARMY NATIONAL GUARD

BEFORE THE

HOUSE APPROPRIATIONS COMMITTEE

SUBCOMMITTEE ON DEFENSE

SECOND SESSION, 113TH CONGRESS

ON

NATIONAL GUARD AND RESERVE POSTURE

APRIL 3, 2014

NOT FOR PUBLIC DISSEMINATION
UNTIL RELEASED BY
THE HOUSE APPROPRIATIONS COMMITTEE

Opening Remarks

Chairman Frelinghuysen, Ranking Member Visclosky, members of the subcommittee; I am honored to appear before you today, representing more than 354,000 Soldiers in the Army National Guard. For 377 years our Citizen Soldiers have been central to how the nation defends itself at home and abroad. Through resolve and readiness, Army National Guard Soldiers deliver essential value to our nation and our communities.

The men and women of the Army National Guard continue that history and contribute immeasurably to America's security. They have been an integral part of the Army, supporting the National Military Strategy and Army commitments worldwide. In more than a decade of fighting two wars, the Army National Guard has successfully expanded the capacity and capabilities of our Army, conducting every mission assigned.

Since September 11, 2001, Guard Soldiers have completed more than 525,000 mobilizations in support of federal missions. The Army National Guard mobilized more than 17,300 Soldiers for service around the world during fiscal year 2013, a number substantially lower than our peak years of 2003 and 2004, when we mobilized more than 80,000 per year. Currently, we have nearly 15,000 mobilized, of which 6,500 are deployed to multiple locations in the U.S. and around the world defending our national interests.

There is a direct and powerful connection that begins with the Army National Guard's organization, equipment and training for overseas missions and leads to our unequaled capacity to complete domestic missions. On the home front, the Army National Guard continues to fulfill its centuries-old obligations to the communities in which we live and work. Guard Soldiers live in each congressional district, playing a vital role as the military's first domestic responders and linking national efforts to local communities. In fiscal year 2013 Army Guard Soldiers served nearly 388,000 duty days under the command of the nation's governors assisting our fellow citizens during domestic emergencies. Yet, despite a large call up for Hurricane Sandy, FY 2013 was historically a slow year. The current fiscal year has already seen state activations for ice storms in the south, unusually high levels of snow throughout the country, floods in several states, and a major water contamination disaster in West Virginia. Whether at home or abroad, the National Guard lives up to its motto – Always Ready, Always There.

The Army National Guard of 2014 remains at peak efficiency in manpower, training, equipping, leadership and experience. We haven't arrived at this level by accident. This is a direct result of the resourcing and legal authorities that Congress has dedicated to this purpose over the past decade-plus of conflict, and a tremendous effort by the Total Army to reach this level of operational capability. I can assure you that this effort has not only been worthwhile, but that the results have

brought an excellent return on the taxpayers' investment. The National Guard delivers proven, affordable security and we do it on an as-needed basis.

The Army National Guard, the active Army and the Army Reserve, ensure the Total Force remains capable of providing trained and ready forces for prompt and sustained combat, in support of the nation's security strategy.

The transition from a strategic reserve to an operational force means the Army Guard is resourced, trained, ready, and used on a continual basis. When properly resourced we can conduct the full spectrum of military operations in all environments as a part of the Total Force.

The fiscal constraints imposed by sequester level reductions under the Budget Control Act, though temporarily eased by the Bipartisan Budget Agreement, will lead to inevitable reductions in funding in years ahead. The Army Guard will share in these cuts; however, it is in these challenging times that the inherent value of the ARNG to the American taxpayer comes most clearly into focus. As numerous studies both internal and external to the Department of Defense have demonstrated, a reserve component service member costs a third of his or her active component counterpart when considering the fully burdened cost over the lifetime of the individual. Because Congress has already invested in the training and equipping of the Army National Guard over the past 13

years of war, it now takes only a continued modest investment to maintain an operational force when compared to the strategic reserve the nation had prior to 9/11. But that investment is more than made up for in the responsiveness, flexibility and readiness resident in a reserve component where 84 percent of the personnel serve in a part-time status.

Accountability

We must protect the nation's investment by insuring that the ARNG is an effective and accountable steward of public resources. We continue to encourage and implement innovations to improve efficiency to sustain hard-won readiness gained over the last decade. Despite having a lean headquarters we have followed the Secretary of Army directive to decrease our headquarters staff by 20% by FY 2019. We will continue to actively advance our methods of increased accountability as we hold ourselves to the highest standards of ethics and integrity. We must ensure that the American people feel confident that our actions are above reproach.

Status of the Force

Guard Soldiers continue to demonstrate a strong willingness to serve this great nation and their communities. This appetite for service continues to draw America's youth to the Guard's ranks. To meet our obligation to the great men and women who step forward to serve, everyone – general officer to private – must adhere to and embody the ethical standards articulated in our core values. By remaining focused

on ethical standards and our core values we will continue to attract and retain Citizen Soldiers.

The Army Guard achieved 98.5 percent of its recruitment goal of 45,400 new Soldiers. Overall, our retention rate during FY 2013 was 86.3 percent, as 51,145 Guard Soldiers extended their enlistments; of note, this was a 3.8% increase over the previous five years.

For active component Soldiers who choose to leave active duty, the National Guard continues to offer an excellent opportunity to remain in service to our country and for the country to retain the investment in developing the skills of these veterans. More than 4,600 Soldiers joined the Guard last year directly from the active Army, which surpassed the Guard's goal (105.9 percent). As future end strength cuts loom, the Guard stands ready to retain combat-proven Soldiers in the Army. But this talent cannot be retained if there is no place to put it. By maintaining sufficient force structure in the Guard, the Army can provide service opportunities for combat-proven Soldiers, as well as saving some of the costs incurred in training new recruits.

Those Soldiers who join the Guard from the active component are signing up with a well-trained, seasoned cohort. Nearly 50 percent of our Soldiers today are veterans of a deployment with the Army National Guard, many having served multiple tours. Retaining a corps of experienced troops not only sustains the Guard's readiness, but becomes an overwhelming benefit to the Total Army. A total of 303,282 Soldiers,

or 85 percent of our force, have joined the Army National Guard since 9/11, knowing they were likely to deploy overseas. This is a special class of people that we want to hold on to, and improving on the retention rate last year was important for us. The likelihood of deploying on operational missions overseas is not nearly as great as it was six years ago, and money for training and equipment will not be as readily available. So keeping these Soldiers interested and engaged – and thus willing to stay in our ranks – is becoming a significant challenge not just for our retention personnel, but for leaders at every level.

Certainly, bonuses and incentives play an important role in keeping Soldiers in uniform, but we know that the desire for relevant training and utilization at home and abroad play a significant role in their decisions to stay. A key component of the operational reserve is that it is a force that sees regular use, through a progressive readiness model – such as Army Force Generation – that prepares Soldiers and units for deployment. Regular employment ensures unit readiness remains high. It provides Soldiers, their families and civilian employers the predictability they need to plan their civilian lives and careers. Also, it develops critical leadership skills, while exercising our systems to ensure we can rapidly deploy when needed.

Accessibility

In the 2012 National Defense Authorization Act, Congress addressed concerns about accessing the reserve components for

domestic or overseas missions in situations short of war or a national emergency. The authority granted in Title 10, section 12304(b) removed a significant impediment to maintaining an operational reserve that can be flexibly employed by combatant commanders as required. Title 10, Section 12304(a) likewise removed an impediment to employing all federal reserve capabilities for domestic emergencies at the request of the governors. There remain no significant statutory barriers to accessing the Army National Guard for either domestic or overseas missions, though consistent budgeting for use of these authorities remains an issue to address. The Army National Guard is accessible and ready to meet the needs of the nation.

An Operational Force that Fights America's Wars

The Army National Guard has demonstrated this capability in full during the wars in Iraq and Afghanistan. Citizen Soldiers have been mobilized in units ranging in size from two-to-three man teams, to Brigade Combat Teams, to Division headquarters exercising command and control over multiple Brigade Combat Teams and supporting forces. Guard BCTs performed every mission in Iraq and Afghanistan their active component counterparts performed except the initial invasion. Guard BCTs successfully performed a wide variety of missions including security force, counter-insurgency operations, and advising and assisting host nation military and police forces in both countries.

In fiscal year 2013, more than 17,300 Army National Guard Soldiers were mobilized in support of a multitude of ongoing missions around the world. Approximately 10,300 served in Afghanistan, while others served in the Horn of Africa, Kosovo, the Sinai, Honduras, the Philippines, and mobilized for operational missions within the United States.

While this contribution is noteworthy, there is significantly more capacity within the Army National Guard should the nation require a surge of forces. For example, at one point during 2005 more than 100,000 Guardsmen were mobilized and eight of 15 Brigade Combat Teams in Iraq were Army National Guard. Later that same year, with 80,000 Soldiers still mobilized, the Army Guard surged more than 50,000 Soldiers in the span of a week to deploy to the Gulf Coast in the wake of Hurricane Katrina. In summary: in the year in which the Army National Guard underwent its largest mobilization since the Korean War, it also experienced the largest domestic response in its history. This capacity and capability continues to reside in your Army National Guard.

Response time is a critical consideration when determining the right mix of forces to meet planned or unanticipated contingencies. The past 13 years of war have demonstrated that even the largest Guard formations can be trained to the Army standard, validated and deployed well within the timelines required by combatant commanders. The experience of deploying repeatedly over the past decade has honed this

training regimen and reduced post-mobilization training time considerably since 2003. As the Office of the Secretary of Defense validated in its December 2013 report to Congress, "Unit Cost and Readiness for the Active and Reserve Components of the Armed Forces," even the most complex Guard formations, the Brigade Combat Teams, take only 50-80 days after mobilization to be ready for deployment when they are mobilized at company-level proficiency, or 110 days when mobilized at platoon-level proficiency. The ability of the Army National Guard to respond to worldwide contingencies provides tremendous flexibility to the nation as we seek to achieve defense goals with a constrained budget.

In FY 2015, the ARNG is programmed to return to its pre-9/11 strength of 350,200, a reduction of 4,000 in end strength from FY 2014 and 8,000 from our wartime high of 358,200 between 2008-2013. If Budget Control Act level cuts are re-imposed in 2016, the Army will face even tougher choices and challenges in managing risk and balancing readiness, modernization and end strength. Under these conditions, the Secretary of Defense has announced that ARNG end strength will have to be further reduced to 315,000 by FY 2019. This will mark a significant reduction in the strategic hedge against uncertainty that the Army Guard affords the nation for unforeseen contingencies. It will also undoubtedly impact domestic response times. While the Guard will always respond to a domestic emergency, response times may suffer as readiness centers

are shuttered, equipment maintenance is deferred, and training is reduced.

An Operational Force That Protects the Homeland

In fiscal year 2013, Citizen Soldiers responded to hurricanes, winter storms, floods, tornadoes, search and rescue missions, and the bombing of an iconic sporting event in one of our nation's oldest cities. There were 52 major disaster declarations in 24 states and territories in 2013, but the biggest response of the year came in its first month. Super Storm Sandy devastated communities along the east coast in late October, and Guard members from 21 states responded, with many remaining on duty for several weeks. At the height of the response, more than 11,900 Guardsmen were activated. These were joined by active component Soldiers, Sailors, Airmen, Marines, as well as Army Reservists, all of whom fell under dual status commanders in New York and New Jersey. Both dual-status commanders were National Guard brigadier generals, successfully integrating DoD capabilities under state and federal control to more effectively serve our citizens in their time of need.

Warmer weather did not mean the National Guard would have the rest of 2013 off. On the afternoon of May 20, an EF5 tornado packing winds above 200 mph tore into the Oklahoma City area. The suburb of Moore was severely impacted. Dozens of people were killed, entire neighborhoods were flattened, and homes and businesses were

destroyed. Elementary school children were trapped in what remained of their schools, and Army National Guard members assisted in rescuing survivors. In total, more than 530 Army National Guard members supported the relief effort, performing search and rescue and security support missions.

The ARNG's largest rescue operation last year was in response to the floods that wiped out numerous roads and bridges, devastating communities in Colorado in Sept. 2013. Thousands of citizens were stranded in the mountains of the Front Range. Eight people were killed, 218 were injured, and thousands of commercial and residential buildings damaged or destroyed. More than 750 National Guard members with a total of 21 helicopters and 200 military vehicles were joined by active component Soldiers and aircraft from Fort Carson. More than 3,233 Civilians and 1,347 pets were rescued and evacuated. In the aftermath, Army National Guard engineers from Colorado and several neighboring states quickly restored miles of highway that were washed out in the floods before winter snows would have made reconstruction impossible.

One event that has long been an annual requirement for the Massachusetts National Guard was anything but routine last year: the 117-year old Boston Marathon. Massachusetts Guardsmen have long supported state and federal law enforcement at the event, providing traffic control, area security, and a standby Civil Support Team. Their familiarity with the marathon was extremely helpful, and indeed

lifesaving, last year. Approximately 250 Guard members were on State Active Duty supporting the Boston Marathon on April 15 when two improvised explosive devices detonated near the finish line. This attack killed three spectators and injured hundreds more. National Guardsmen on site immediately provided lifesaving aid and conducted security cordons and traffic control operations to assist emergency responders with their coordinated response. The 1st Civil Support Team of the Massachusetts National Guard quickly determined that no chemical agents had been used in the bombing. By the next morning, approximately 1,000 National Guard members were called to State Active Duty to assist civil authorities. In addition to Massachusetts, the states of Rhode Island, New Hampshire and New York provided Citizen Soldiers for this response. In the days to come, armed National Guard military police used armored Humvees to facilitate the tactical movement of law enforcement personnel.

The Army National Guard's support to the U.S. Border Patrol along the Southwest border continued into 2014, although at a reduced rate than in years past. Approximately 220 Guard members from 34 states or territories served on this ongoing mission along the 1,933-mile border of California, Arizona, New Mexico, and Texas. The current mission focuses on criminal analysis and aerial detection and monitoring. Still, during the 2013 calendar year, ARNG aviation personnel flew more than

10,635 flight hours in support of this mission, assisting in the seizure of 40,264 pounds of marijuana and 139 pounds of cocaine.

Army National Guard aviation was particularly active in the domestic arena, flying more than 19,100 hours supporting civil authorities in natural disasters, conducting medical evacuations, and conducting preplanned activities such as counter drug missions. Army Guard aircraft hauled nearly 422,000 pounds of cargo, transported more than 18,000 passengers and worked with multiple law enforcement agencies on a regular basis, assisting in the seizure of an estimated \$5.03 billion in drugs during the course of the year. Most importantly, Army Guard aircraft rescued 1,604 citizens in Search and Rescue and medical evacuation missions.

An Operational Force that Builds Partnership

One of the National Guard's greatest strengths is building partnerships. In 2013, the Army National Guard provided 12,265 Soldiers to support 72 military exercises in 76 countries. The Guard's experience with the warfight, domestic disaster response, our Soldiers' wide variety of civilian professional and educational experiences, and close community connections to many civilian institutions such as hospitals and universities, ideally position the National Guard for building partnerships that are multi-dimensional.

Today, the National Guard Bureau's State Partnership Program (SPP) consists of 68 partnerships with a total of 74 partner countries.

SPP promotes security cooperation activities for military-to-military training, disaster response, border and port security, medical, and peacekeeping operations. Calendar year 2013 marked the 20th anniversary of this innovative program, which continues to produce immense benefits for both the United States and partner nations at minimal cost. In support of the Chief of Mission and the US Department of State, and at the request of the regional combatant commanders, SPP is conducted jointly by Army and Air Guard forces in the states, territories and the District of Columbia under the leadership of the respective adjutants general. As such, SPP is the perfect complement to the Army's Regional Alignment of Forces concept and Chief of Staff of the Army's effort to shape the security landscape, but with unique advantages. Because of the relative stability of a Guard Soldier's career, which in most cases remains within a single state, that Soldier has the opportunity to forge enduring relationships with his or her counterparts in one or two foreign nations over long periods of time. In some cases, the crucial bonds have been cultivated and maintained for more than two decades.

These bonds have borne fruit on the battlefield. Since 2003, sixteen partner nations deployed units to Iraq and Afghanistan more than 87 times alongside Guard men and women from their partner states. Additional benefits of the State Partnership program include

economic co-development, educational exchanges, agricultural growth to build food security, and support to other federal agencies.

Resourcing the Operational Force

The FY 2015 Budget submission represents a significant reduction in appropriations for the Army National Guard in both Operations and Maintenance (OMNG) and Personnel (NGPA) accounts compared to FY 2014. OMNG funding for FY15 reflects a 12% reduction from FY 2014. This will only allow the ARNG to provide minimal training for units, with no additional funding to allow for combat training center rotations in FY 2015. In addition to the decrease in OPTEMPO funding, the ARNG assumes risk in such areas are Base Operations Support, modernization to infrastructure, and depot maintenance of equipment and vehicles.

NGPA funding for FY 2015 is 1.2% below FY 2014 levels. While this fully funds statutory requirements of inactive duty training, annual training, and initial entry training, the ARNG has assumed risk with significant reductions in funding for training and schools as compared to last year.

These reductions will begin to degrade the readiness that the Guard has built up over the past 13 years, limiting how rapidly ARNG units may be operationally employed. The reductions for FY 2015 will pale in comparison, however, to the reductions that are forecast to take place beginning in FY 2016 when the Army returns to the sequestration levels of funding imposed by the Budget Control Act.

Quite simply, the Army National Guard can be as ready as it is resourced to be. The Guard will achieve desired levels of responsiveness if properly resourced – and it will do so by maximizing taxpayers’ investment in programs directly contributing to Army National Guard readiness.

Maintaining the Operational Force: Support to Soldiers and Families

People are the Guard’s most precious resource, and the ARNG sponsors a wide variety of programs intended to enhance coping skills in Soldiers and their families – skills with an application to everyday life as well as the military.

Sexual Harassment/Assault Response and Prevention

The Army National Guard SHARP program reinforces the Total Army’s commitment to eliminating incidents of sexual harassment and assault utilizing education, disciplinary action, and victim-centered response services. In FY 2012, the ARNG assigned a full-time program manager to each state and territory and the District of Columbia; during this past fiscal year the ARNG assigned 93 full-time victim advocates within each state and territory and the District of Columbia. In addition to full-time support personnel, the ARNG has trained more than 2,400 collateral duty Sexual Assault Response Coordinators and Victim Advocates at the brigade and battalion level. The Army National Guard’s minimum goal was to train 1,864 SHARP personnel to DoD Sexual

Assault Advocate Certification Program standard. With 2,309 certified, we are at 127 percent of that goal.

Suicide Prevention

Calendar year 2013 saw a record 119 suicides of Guard Soldiers. Combating suicides has been a persistent challenge for the Army Guard, since leaders typically only see the majority of their Soldiers during a single drill weekend each month. This limits a leader's ability to intervene in a crisis. That's why the Army Guard is focusing on training and programs to increase resilience, reduce risk, and increase leadership awareness. In September 2013, the ARNG awarded a national contract to provide a Suicide Prevention Program Manager (SPPM) in every state. The SPPM manages state suicide prevention efforts, training, and suicide surveillance. The ARNG trained 120 trainers in the Applied Suicide Intervention Skills Training (ASIST) program in FY 2013, bringing the total to 517. These personnel trained 4,042 gatekeepers in advanced suicide intervention skills. Gatekeepers are trained to recognize someone in crisis, intervene to keep them safe, and provide referrals to assistance. The goal in FY 2014 is to train an additional 120 ASIST trainers who will, in turn, train approximately 11,000 gatekeepers. The Army National Guard is also participating in Army studies of suicide trends in an attempt to determine if prevention resources can be better focused to particular units, states, or at-risk Soldiers. Even one suicide is one too many; however, the trend is improving. Thus far in 2014, the number of

completed suicides is below the pace of 2013 – a trend we are working hard to sustain.

In fiscal year 2013, ARNG behavioral health counselors provided informal behavioral health consultations to more than 30,000 Soldiers and family members; 2,939 of these consultations identified emergent situations leading to critical psychological care. The ARNG reported 876 command interventions in suicide attempts (including expressed desire to commit suicide) in the 2013 calendar year. The ARNG reports 172 ideations as of mid-March 2014. We will continue to work collaboratively to address this heart breaking challenge.

Directors of Psychological Health

Prior to last year, one Director of Psychological Health (DPH) was provided for each of the 50 states, three territories and the District of Columbia. The National Defense Authorization Act for 2014 authorized funding for an additional 24 DPHs, increasing the ARNG's total from 54 to 78. In accordance with NDAA 2014, the 24 new DPHs were assigned to high-risk states. The ARNG has seen a significant increase in usage rates addressing emergent and high-risk cases. Command consultation, follow-up and multidisciplinary team consultations went from 13,525 to 26,766, and behavioral health case management went up from 3,556 to 10,264. We are grateful that Congress allocated \$10M for additional Guard behavioral health counselors in the FY 2014 budget.

Guard Resilience Training

Resiliency training offers strength-based, positive psychology tools to aid Soldiers, leaders, and Families in their ability to grow and thrive in the face of challenges and to recover from adversity in our communities. Soldiers complete the Global Assessment Tool annually to measure and track a Soldier's resilience over time. Master Resilience Trainers (MRTs) provide training to units and Families, serving as the commander's principal advisors on resilience. In FY 2013, the ARNG obligated \$10.4 million for the resilience program, which trained more than 1,550 MRTs and 4,600 Resilience Trainer Assistants.

In late 2011, the Army National Guard teamed with the Office of the Secretary of Defense for Reserve Affairs and the Air National Guard to launch a highly successful phone-and Internet-based help line, Vets4Warriors. This help-line, which is operated by Rutgers University Behavioral Health Care, provides peer-to-peer support from a staff of more than 30 veterans representing all branches of service and family members. They can provide referrals as appropriate, resilience case management and outreach services to help overcome an individual's or a family's daily challenges. Vets4Warriors initially served only reserve component members, but in November 2013 it was made available to all active duty military service members and their families, wherever they are located. Since its inception, the Vets4Warriors support line received more than 41,000 calls and conducted nearly 1,900 live online chats.

Family Readiness Groups are essential to creating a bond within units that facilitates assistance and reduces unnecessary stress. Family Readiness Support Assistants provide a great return on investment by helping our commanders create and sustain those groups, and by providing volunteer and resilience training at the unit level. Family Assistance Centers serve family members of all military components and are located in 396 communities around the nation. We are now facing reductions in the Family Assistance Center, Family Readiness Support Assistance and Child & Youth Program personnel currently provided to the states and territories. Family Readiness Support Assistants provide logistics to 312 brigade and troop commands in support of the Unit Readiness Program, and are the ARNG's key training asset for volunteers, family readiness and resilience initiatives. Funding is projected to be cut from \$15.5M in FY 2014 to \$10.9M in FY 2015. This, in combination with cuts to Family Assistance Center funding, will potentially result in a reduction of FRSAs from 312 to approximately 165.

Strong Bonds

Strong Bonds is a unit-based, chaplain-led program that assists commanders in building Soldier and family member readiness and resilience through relationship education and skills training. The Army National Guard provides the 50 states, three territories and the District of Columbia with information, guidance and training related to this program. In FY 2013 the ARNG held 544 Strong Bonds events serving

22,284 Soldiers and family members throughout the Army Guard. With a budget of just over \$6M, the ARNG's cost per person is \$269. A variety of Strong Bonds programs are available focusing on building strong relationships for married couples, single Soldiers, and families taught by certified chaplains.

Substance Abuse Program

The ARNG's Substance Abuse Program (SAP) provides a continuum of substance abuse services, including prevention, assessment, and brief intervention services. In September 2013, the ARNG awarded a national contract to provide Alcohol and Drug Control Officers and Prevention Coordinators in every state and territory and the District of Columbia. The SAP has also partnered with the Substance Abuse and Mental Health Services Administration to pilot the Substance Abuse Services Initiative, which will provide Soldiers with a voucher for substance abuse assessments. In FY 2013, more than 135,000 Soldiers completed the Unit Risk Inventory (URI), which is an anonymous survey measuring many of the stressors that contribute to substance abuse, suicide, and sexual assault. Utilizing the URI results, units receive prevention training, resources, and interventions tailored to their unit.

Employment Assistance

The Army National Guard has been, and remains, deeply concerned with the civilian employment status of its Soldiers. The ability of Guard Soldiers to gain and maintain civilian employment is essential

to retaining these Soldiers in the ARNG. While unemployment remains most acute immediately following redeployment, employment challenges extend beyond those returning mobilized Soldiers. The Guard continues to work diligently to find solutions to assist its geographically dispersed population, working closely with the states to spread best practices from each state across the country.

The Veterans Opportunity to Work (VOW) Act of 2011 mandates the Transition Assistance Program (TAP) for all Soldiers separating from a Title 10 active duty tour of more than 180 days. The Army National Guard is working closely with the Department of the Army and OSD to implement the transition mandates set forth in the legislation. States report 34,162 demobilized ARNG Soldiers since November 2012 with 26,999 (79 percent) exempt from the Department of Labor Employment Workshop (DOLEW) due to full-time employment or student status. Of the remaining 6,998, some 5,477 (78 percent) completed the DOLEW at one of 268 workshops conducted. In FY 2014 compliance has improved through February 2014 with 2,342 Soldiers requiring the DOLEW and 2,153 (92 percent) compliant. The ARNG will continue to promote and leverage an array of employment programs and resources to support VOW mandates and reduce Soldier unemployment.

Maintaining the Operational Force: Medical Readiness

Medical Readiness is a foundational requirement to maintaining the Army National Guard as an operational force; fully medically ready

Soldiers are the key to ready and relevant units. Medical Readiness is an area in which congressional resourcing and leadership focus have made dramatic improvements. The Army Guard improved from a fully medically ready percentage of 51% in July 2009, to 85% as of October 2013. That is the highest percentage of medical readiness we've ever recorded, and higher than either the active Army or the Army Reserve at that time.

However, this is an area in which readiness will rapidly slip if resources are reduced. For example, because a substantial number of Soldiers were not able to conduct Periodic Health Assessments that were scheduled for October 2013 due to the government shutdown, medical readiness slipped three percent to 82 percent in a single month. It took us four months just to climb back to 83 percent. It doesn't take long for our medical readiness to slip dramatically in a short period of time, but, turning things around is a much slower, more deliberate process. This not only requires funding, but a tremendous amount of time—time that we can never get back. Sustaining medical readiness is far cheaper than rebuilding it; and most importantly, it allows the capability and capacity for medically ready Soldiers to respond when needed for domestic or overseas missions.

Maintaining the Operational Force: Equipping the Force

The Army National Guard has received significant investments in equipment, increasing Equipment on Hand (EOH), Critical Dual-Use

equipment (CDU – equipment that is of use for domestic response as well as for war fighting missions), and the overall modernization levels.

Army National Guard EOH for Modified Table of Organization and Equipment units is currently at 91 percent, an increase from 88 percent last year and from 85 percent two years ago. Overall CDU EOH is 93 percent, an increase from 90 percent last year and a significant increase from 65 percent in 2005, when the Guard responded to Hurricane Katrina. Of the total quantity of equipment authorized, 85 percent is on-hand and considered modernized, up from 70 percent last year. This dramatic increase was partly due to new equipment purchases, but principally due to the Army re-defining in the past year what models of equipment it considers as modern. The steady improvement of equipment on hand, particularly CDU, can in part be traced to the continued appropriation of the National Guard and Reserve Equipment Account funds (NGREA), which has allowed the Army Guard a degree of flexibility in procurement, enabled it to meet training readiness goals, and improved modernization levels.

Maintaining the Operational Force: Installations

The Army National Guard has facilities in more than 2,600 communities, making it the most dispersed of any military component of any service. In many towns and cities these facilities are the only military presence, with the Guard serving as the most visible link between hometown America and the nation's armed forces. These

readiness centers, maintenance shops and training centers serve as platforms for mobilization during times of war as well as command centers and shelters during domestic emergencies. Providing quality facilities across 50 States, three Territories and the District of Columbia has been an on-going challenge. The Army National Guard transformed from a strategic reserve to an operational force over the past 13 years, but many of our facilities have not been updated in decades. The average age of Army Guard readiness centers is 44 years. More than 30 percent of them are 55 years old or older, the limit to what is considered “useful life” for that type of facility. Many fail to meet the needs of a 21st century operational force, cannot accommodate modern equipment and technology, are poorly situated, and are energy inefficient. Facilities are critical to readiness and support unit administration, training, equipment maintenance, and storage.

This wide array of uses makes Military Construction and Facilities Sustainment, Restoration and Modernization funding a critical matter directly impacting unit readiness and morale, continuity of operations and domestic preparedness.

Closing Remarks

With our nation operating during an era of budgetary pressure, the Army National Guard is structured to efficiently provide capacity and capabilities our nation requires in a dangerous world. With committed Citizen Soldiers as our foundation, the Army National Guard represents

tremendous value to the nation at large and within American communities where we live, work and serve. A flexible force serving our citizens for 377 years, the Guard's history shows that it has always adapted to change in America and around the world and risen to the challenge. The last 13 years have demonstrated these traits in full. That is why the National Guard has been and will remain "Always Ready, Always There" for our nation.

I want to thank you for your continued support for the Army National Guard and I look forward to your questions.

SUMMARY STATEMENT OF GENERAL TALLEY

Mr. FRELINGHUYSEN. General Talley.

General TALLEY. Chairman Frelinghuysen, Ranking Member Visclosky, distinguished members of the subcommittee, thank you very much for the opportunity to appear before you today. It is an honor to represent America's Army Reserve, a life-saving and life-sustaining Federal force for the Nation.

I would like to begin by thanking the committee for your steadfast support that you have provided to all the members of our Armed Forces and their families. Since 9/11, more than 275,000 Army Reserve soldiers have been mobilized.

And as you are aware, I have provided the committee a 10-page statement that outlines the capabilities and challenges that the Army Reserve has and some specific ways that this committee and the Congress can assist in keeping us viable and strong in service to others.

Therefore, I would like to use the few minutes that I have now to share some real stories and experiences to you about your Army Reserve.

On 9 November 2013, a typhoon struck the Republic of Philippines. The Army Reserve has almost 4,000 soldiers permanently assigned to the Pacific. Most of those are organized under the 9th Mission Support Command, a one-star general officer command commanded by Brigadier General John Caldwell, a proud resident of the great State of Tennessee and a huge Tennessee Volunteer fan.

I got a call the same day from John and General Brooks—Vince Brooks commands U.S. Army Pacific—about the crisis and the need for immediate assistance relief for the Philippines.

I authorized and supported the immediate use of one of my logistics support vessels, an LSV-7, stationed in Hawaii, to provide mission relief for an active-duty vessel and, within 48 hours, I had 13 crew members, traditional Reservists from 11 different units, on active duty, preparing to set sail.

The LSV-7 sailed over 1,225 nautical miles and transported 230 pieces of equipment. That is 1,660 long tons with four lifts to transport equipment and Strykers to the 25th Infantry Division from the big island to Oahu.

I also called to active duty Brigadier General Gary Beard, an Army Reserve individual mobilization augmentee, who immediately left for the Philippines to assist in leading coordination on the ground in support of PACOM.

We conducted many more missions, but this illustrates the ability of the Army Reserve to act immediately. We are the only component of the three components in the Army that is also a single command.

I am not only the chief for the Army Reserve, I have the privilege of being the commanding general for the Army Reserve Command. I exercise that command authority every day in service to requirements at home and abroad.

On 29 October 2012, Superstorm Sandy hit the East Coast, resulting in an immediate need for assistance in New York and New

Jersey. I authorized to active duty the same day our emergency preparedness liaison officers. We call them EPLOs.

EPLOs are embedded in the Federal Emergency Management Agency, FEMA, and they provide direct linkage to the Department of Defense for support in times of crisis.

The Army Reserve provides the Army 100 percent of its EPLOs and 50 percent of all the EPLOs within the Department of Defense.

Requirements for military assistance were quickly identified. Within 24 hours, I had alerted multiple Army Reserve units to be prepared to go on active duty to assist their fellow citizens.

When Sandy hit New York, I had multiple units on active duty and en route to the East Coast. Specifically, I had three logistics pumps and dewatering units that eventually located at Breezy Point, where they executed significant dewatering and relief missions to the residents and others in need.

In addition, I had two Chinook helicopter teams activated to provide immediate support to Joint Task Force headquarters that the National Guard had established.

These are just some of the examples how the Army Reserve immediately reached out to assist and support our Americans in need during a complex catastrophe.

As the commanding general of the Army Reserve Command, I have the authority to order immediate help when and where it is needed to assist our first responders, our police, and our fire-fighters, and our State force, our great 54 Army and Air National Guards.

In the case of Sandy, I ordered troops to active duty via annual training for 29 days initially. And that gave us time to convert those orders to 12304(a) mobilizations authorized under the National Defense Act of 2012, with specific requirements being asked for by General Jacoby, the commander of NORTHCOM. The Army Reserve routinely provides this type of support to the various States within United States in their need.

My last story is a short one about an Army Reserve family, the Henscheids, Don and Janet Henscheid. Like so many military families, they love their country and they are proud to have their most precious resource, which are our sons and daughters, serve in the military.

But what makes Don and Janet extra special, in my personal opinion, is the fact that they had three boys serve in combat, Iraq and Afghanistan, as Army Reserve soldiers. Their names were Landon, Cody, and a son-in-law named Jacob.

All three became wounded warriors. The wounds and experiences of war were very severe to each of these three men. In fact, they were so severe that they would no longer be able to do what they wanted most, to continue to serve as a soldier in America's Army.

The many months of multiple surgeries and treatments, physical and mental, took a tough toll on the family, especially when they found out that Landon, who had finally recovered from his war wounds, had developed cancer. Eventually, Landon died.

As Cody and Jacob continued to struggle with their own wounds and grieving associated with losing Landon, my wife and I got to know this family very well. In fact, my wife visited them every single week at Walter Reed during these many months.

But this story has a happy ending. Normally, what I would see in similar circumstances is you end up with a family that hates the military and resents America. But not here.

Don and Janet and that whole family appreciated the tremendous support that the Army Reserve and the whole Army family gave them under this most difficult situation.

Their courage, their commitment to our Army, and to the Nation make my contributions and those of so many others pale in comparison. Don and Janet represented to me the very best of what it means to be Americans.

I will certainly miss Landon, especially our talks in the hospital room about my Jeep J10 pickup truck and Duck Dynasty, which he liked a lot. But he taught me, an old soldier, a lot about giving and about dying.

In closing, the Army Reserve is a community-based force of almost 220,000 soldiers and civilians living and operating in all 54 States and Territories and in 30 countries.

As a component and a single command, we are embedded in every Army Service Component Command and every Combatant Command, and we currently have almost 20,000 soldiers serving around the globe, with over 6,000 still fighting in Afghanistan.

We provide a unique linkage to America's industry and private sector, as most of our troops work in a technical career in the civilian sector that directly correlate to what they do in the Army Reserve as enablers.

I own most of the lawyers, the doctors, the nurses, the full-spectrum engineering, civil affairs, logisticians for the Total Army. And like all of our Reserve components, we have de facto become part of the operating force.

In fact, the Army Reserve has unique capabilities that are not found in any other service or any other component, especially as it relates to the opening and closing of our theaters.

A life-sustaining and life-supporting force, we provide almost 20 percent of the Total Army Force structure for 5.8 percent of the budget. I think that is great return on the investment. I ask for your continued support for all of our services and components as we keep America strong and prosperous.

I look forward to your questions. Army Strong.

[The written statement of General Talley follows:]

RECORD VERSION

STATEMENT BY

LTG JEFFREY W. TALLEY
32nd CHIEF OF THE U.S. ARMY RESERVE
AND
COMMANDING GENERAL, U.S. ARMY RESERVE COMMAND

BEFORE THE

HOUSE APPROPRIATIONS COMMITTEE
SUBCOMMITTEE ON DEFENSE

SECOND SESSION, 113TH CONGRESS

ON ARMY RESERVE BUDGET

April 3, 2014

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THE HOUSE APPROPRIATIONS COMMITTEE
SUBCOMMITTEE ON DEFENSE

AMERICA'S ENDURING OPERATIONAL FORCE

The Army Reserve is America's dedicated operational federal reserve of the Army – a premier provider of trained, equipped, ready and accessible Soldiers, leaders and units to the Total Army, the Joint Force and civilian authorities nationwide.

Since September 11, 2001, more than 275,000¹ Army Reserve Soldiers have been mobilized and seamlessly integrated into Active Component and the Joint Force. Today, more than 19,000 still serve in direct support of Army Service Component Commands and Combatant Commands across the globe, including nearly 4,000² Soldiers in Afghanistan.

Yet, while we are no longer in Iraq and will soon be out of Afghanistan, we face a world, as Secretary Hagel recently described it, that is growing ever more “volatile, ...unpredictable, and in some instances, ... threatening to the United States.”³

Continued regional instability, violent extremism, the proliferation of weapons of mass destruction, and any number of other factors, would seem to predict that the future global security environment is likely to be even more complex and potentially dangerous than it is today. And so we must be prepared to meet the threats and challenges of the future.

¹ 275,542 since September 11, 2001, as per G-3/5. Source: HQDA system “MDIS” Mobilization deployment information System.

² From G-3/5: as of March 11 2014, 18,990 AR Soldiers were on duty in support of ASCC/COCOMS, and 3951 AR Soldiers were in Afghanistan.

³ “We are repositioning to focus on the strategic challenges and opportunities that will define our future: new technologies, new centers of power and a world that is growing more volatile, more unpredictable and in some instances more threatening to the United States.”

ARMY RESERVE CAPABILITIES VITAL TO AMERICA

Never before in the history of our Nation has the Army Reserve been more indispensable to the Army and the Joint Force, and the reason is the critical skills and capabilities they bring to the fight – skills often acquired through their civilian careers and honed in service to our Nation.

We not only provide the professional skills and capabilities vital to the success of the Total Army and the Joint Force – but we also provide capabilities not found anywhere else in the Active Army, the Army National Guards, or our sister Services. Most if not all of those capabilities are vital during major combat operations but also vital during times of local and national emergencies affecting the homeland.

Those capabilities include theater-level transportation and sustainment, pipeline and distribution management, railway and water terminal operations as well as other high demand career fields such as doctors and nurses, lawyers, engineers, and cyber warriors. Put simply, the Army Reserve Citizen-Soldiers add the operational flexibility and strategic depth so essential to the Army's ability to Prevent, Shape and Win across the full range of military operations in which our Nation is, and will continue to be, engaged.

A significant portion of the Army's enablers – including 90 percent of civil affairs, 65 percent of logistical units; 60 percent of doctors, nurses and other healthcare professionals; 40 percent of transportation units; 35 percent of engineers; 24 percent of military police – are provided by the Army Reserve. We also provide 50 percent of the Army's combat support and 25 percent of its mobilization base expansion capability.

As a dedicated reserve force under federal control, the Army Reserve is an indispensable Total Army partner that is ready and accessible 24/7. It provides direct and immediate access to high- quality, operational Soldiers, leaders and units for both planned and emerging missions. Our focus to support the Army's Regionally Aligned

Forces ensures that Army Reserve Soldiers and leaders will be ready to support the Department of Defense's global requirements.

We are a single command and a component within the Army with an authorized end strength of 205,000 Soldiers and 12,600 civilians arrayed under a variety of theater commands. Inherently flexible, the Army Reserve can quickly task organize in force packages ranging from individuals to large units. These packages can be tailored to support a full range of missions, including homeland response, theater security cooperation, and overseas contingency operations.

Indeed, steady demand for Army Reserve capabilities has introduced a new paradigm of reliance on the Army Reserve as an essential part of our national security architecture.

DEFENSE SUPPORT OF CIVIL AUTHORITIES (DSCA)

In 2012, Congress provided the Department of Defense with new Reserve Component access authority in 10 U.S. Code § 12304a. This law clears the way for the Army Reserve to assist our fellow Americans during domestic emergencies when Federal Assistance is requested by the Governors through FEMA. The same life-saving and life-sustaining capabilities so essential to missions abroad make the Army Reserve an optimum force for preserving property, mitigating damage and saving lives here at home.

In fact, key capabilities in high demand during a major disaster, such as an earthquake or hurricane, are prominent in the Army Reserve and nearly all Defense Support of Civil Authorities response missions could benefit from the Army Reserve's unique capabilities and core competencies. In addition to those already mentioned, Army Reserve capabilities also include aviation lift, search and rescue or extraction; quartermaster units (food, shelter, potable water, heated tents, etc.); supply; civil affairs; public affairs; public and civilian works; protection of key infrastructure; as well as a

significant portion of full spectrum engineer capability – with some capabilities predominately within the Army Reserve.

Our Expeditionary Sustainment Commands go into places devoid of infrastructure and quickly open seaports and airports, while our logistics and supply chain personnel are experts at moving supplies into affected areas.

Army Reserve aviation units possess robust capability. Medical evacuation helicopters and fixed wing aircraft can provide quick transportation in a disaster response area. Medium and heavy lift helicopters can rapidly move relief supplies, equipment and construction material into devastated areas.

Our Engineer units include search and rescue teams, debris removal capabilities, horizontal and vertical construction and bridge construction capabilities. We even have a prime power company, headquartered at Fort Belvoir, Virginia that provides commercial-level electrical power to affected areas.

We also provide 100 percent of the Army's Emergency Preparedness Liaison Officers (EPLOs) and 33 percent of the Department of Defense's EPLOs, who maintain communications between the Department of Defense, federal, State and local governments, and nongovernmental organizations to coordinate assistance between all parties during emergency response events. They serve as subject matter experts on specific capabilities, limitations and legal authorities and keep track of Army Reserve capabilities in their states and regions.

Thus, the same trained and ready forces that provide indispensable and immediately accessible capabilities for operations abroad, today stand ready to support domestic emergency and disaster relief efforts at home.

A GOOD RETURN ON AMERICA'S INVESTMENT

The Army Reserve provides all of these capabilities, including nearly 20 percent of the Army's trained Soldiers and units, for just six percent of the total Army budget*. We are the most efficient and cost-effective reserve component in the Army and operate with the lowest ratio of full-time support to end strength in the entire Department of Defense – about 13 percent. With our unique structure of combat support and combat service support enablers, the majority of our Soldiers are traditional Army Reserve Soldiers, with full-time jobs in the public and private sectors, who keep their technical skills sharp at little or no cost to the Department of Defense.

For many missions supporting a Combatant Command's Theater Security Cooperation Strategy such as Building Partner Capacity, it makes sense to leverage the capabilities of the Army Reserve, especially since Congress increased direct access to our capabilities with 10 U.S. Code § 12304b. So, in this era of constrained fiscal resources, using the Army Reserve is a particularly cost-effective way to mitigate the risks while maintaining an operational reserve.

In addition to the return on investment the Army Reserve provides to the Army and the Department of Defense, there is also a return in the form of a positive economic impact to states and communities across the U.S.

Each year the Army Reserve invests billions in local communities in a number of ways. These investments include payroll to local Soldiers and Department of Defense employees, utilities and other services to municipalities, civilian contractors and administrative support; as well as professional, scientific and technical services in areas like environmental clean-up and protection. This investment in turn generates tens of

*Does not include Army Procurement funding for Army Reserve equipment.

thousands of new food industry, service-related, and other non-DoD jobs, creating new income for families and a positive economic climate for State and local communities.

A NEW GENERATION OF ARMY RESERVE LEADERS

For these and many other reasons, the Army Reserve that some people still recall from the 1990s is long gone. As my predecessor testified three years ago to the Senate Appropriations sub-committee, “I have seen the Reserve of the future” and it is now.

Our Citizen-Soldiers are highly educated and professionals in their civilian careers. They are our doctors, lawyers, academics, scientists, engineers and information technology specialists on the leading edge of their fields – a new generation of Soldiers who grew up with technology in their hands, practice it in their professions and leverage it while in uniform. Today, 75 percent of the doctorate degrees in the Total Army and half its master's degrees are found in the Army Reserve. This education and their skills are invaluable to the civilian career fields in which they work, but they are also invaluable to the Army.

Physically and mentally fit, and fundamentally resilient, Army Reserve Soldiers are America's steady state, operational reserve force. In times of crisis or national emergency, the Army Reserve can respond quickly to our Nation's call. A ready Army Reserve not only offers the nation an insurance policy, but it can provide an opportunity for Soldiers leaving active service due to end-strength reductions a chance to continue serving. As we downsize the Active Component, transitioning Soldiers to the Army Reserve helps the Army keep faith with them and their families who demonstrate a propensity to serve their country. This preserves the taxpayer's investment in training these Soldiers, and can offer new military career tracks that may bridge the transition for Soldiers and their families.

Offering a continuum of service option supports the Chief of Staff of the Army's recent guidance to leverage the unique attributes and responsibilities of each Component and

preserves the operational experience gained from more than 12 years of war while continuing to prepare Soldiers and units for future challenges.

NGREA AND MODERNIZATION CHALLENGES

The Army Reserve appreciates the steadfast support the Committee has provided for more than a decade and particularly the National Guard and Reserve Equipment Appropriation (NGREA) funding that has improved our equipment acquisition and modernization levels. The Army Reserve is at an all-time high for equipment modernization and equipment on hand, and was a full partner in developing and submitting the FY15 President's Budget for equipment procurement and modernization. However, we still suffer from significant equipment shortfalls and are the least equipped and modernized Army component.

HMMWV Challenges

A challenge for the Army Reserve is modernization of the legacy Light Tactical Vehicle fleet. The Army Reserve is scheduled to replace one-third of the HMMWV fleet with Joint Light Tactical Vehicle in 2022. As a result we must maintain two-thirds of the legacy fleet for 31 additional years, through 2045, without any scheduled modernization, leaving the Army Reserve, and especially our medical units, with an unfunded modernization requirement.

Today, 48 percent of the Total Army's ground ambulance companies reside in the Army Reserve. The Army Reserve has on hand only 64 percent of its required Light Ground Ambulances. This more than 20-year-old legacy Ambulance fleet was not included in previous modernization efforts and is short 36 percent of the HMMWV Ambulances required to support contingency operations and potential mass casualty events in the homeland.

Clearance and Bridging Capabilities

Similarly, 35 percent of the Army's total engineering capacity – which includes 80 percent of its Area Clearance capabilities and 36 percent of its Multi-Role Bridging capabilities – are provided by the Army Reserve. In just six years, by 2020, only 20 percent of the Common Bridge Transport System, and none of the Joint Assault Bridge system will be modernized.

Logistical Capabilities

Lastly, the Army Reserve provides 65 percent of the Army's total logistics capabilities, of which the majority is Critical Dual Use equipment for enabling support to Homeland Defense and DSCA. Significant shortfalls in this area include water and fuel storage and distributions systems and material handling equipment. Only 43 percent of the Fuel Distribution System, and 20 percent of the Army's Light Capability Rough Terrain Forklift for moving material, will be modernized by the end of 2020.

While the Army Reserve's equipping posture has improved during the past ten years, critical equipping and modernization shortages remain one of the Army Reserve's greatest challenges. Even in these times of constrained fiscal resources, we cannot afford to let this challenge go unaddressed as it directly impacts our ability to train and sustain an operational force that is properly equipped to meet National Security responsibilities while enhancing federal response to Homeland Defense and DSCA.

Modernization Challenges

In the 2014 National Guard & Reserve Equipment Report (NGRER), dated March 2013, the Army Reserve's modernization rate was 66 percent. As of December 2013, the rate increased to 76 percent, however, our modernization rate still lags behind.

Program procurement delays and the restructuring of requirements as a result of budget reductions, will further widen modernization gaps and impede our interoperability with the Joint Force.

Since 2011, the Army Reserve's base budget for equipment procurement had seen an overall decrease of 45 percent. The Army Reserve, in coordination with the Army, continues to develop mitigation strategies aimed at improving equipment modernization. Congressional support and NGREA are essential resourcing solutions to successfully execute mitigation strategies for improving Army Reserve equipment modernization levels.

AMERICA'S ARMY RESERVE: A LIFE-SAVING, LIFE-SUSTAINING FORCE FOR THE NATION

Whether it is providing trained and ready forces for combat missions and contingency operations abroad, or saving lives and protecting property at home, today's Army Reserve is America's life-saving, life-sustaining force for the Nation.

Thank you for the opportunity to appear before you, and for the steadfast support Congress has always provided to the men and women who have served our country so selflessly over the past 12 years, and continue to do so every day.

Mr. FRELINGHUYSEN. General Talley and gentlemen, thank you all for your testimony.

On behalf of the committee, we extend our sympathy to the Army family. A horrific situation to think that it has been repeated twice at Fort Hood. We are mindful of that, and we hold those who have lost loved ones and were injured in that horrible situation—we hold them close to our hearts. And please extend to your brothers and sisters at Fort Hood and the citizens of Texas our strong feelings.

Absent from our gathering today is Judge John Carter, who represents perhaps the largest mass of heroes of those who serve in the Army. He would be here. And I know that our thoughts and prayers are with him as well.

And to all of you, the men and women who represent a remarkable number of deployments, we don't forget that part of the force is in Afghanistan today.

And part of our committee is looking at, you know, what the exit strategy is. There is still people serving over there. You are part of that team, and you, too, want the best for that country.

But we obviously need to make sure that—not only that their needs are served and that they are well protected, but that, as they come home, their needs are focused on and their needs are met.

We had, coincidentally—and thank you, General Talley, for putting a human face on the level of sacrifice.

We had the surgeon generals in from the Air Force, the Army, and Navy yesterday. And I think we emphasized to them, and would do to you, that we will do anything we can to make sure that those who have suffered physical wounds—I think the number was 1,600 that have suffered amputations, and well over, I think, 450,000 have suffered a variety of physical wounds, goodness knows, a lot of mental wounds, post-traumatic stress, TBI—that we don't forget the obligation.

But thank you very much, all of you, for your testimony.

And now it is my special pleasure to recognize the chairman of the—well, I will recognize him even if he doesn't want to speak at the moment, the arrival of the big chairman, Chairman Hal Rogers from Kentucky.

Thank you, Mr. Chairman.

Mr. ROGERS. Thank you, Mr. Chairman.

Mr. FRELINGHUYSEN. Let me yield the floor to—I get to say one of your own, the gentleman from Arkansas, Congressman Womack.

ARMY NATIONAL GUARD AVIATION

Mr. WOMACK. Thank you, Mr. Chairman.

And my thanks to the gentlemen for their great service to our country. It is noteworthy what our Guard and Reserve components have done in prosecuting the war on terror and for the great service they have extended our country long before our country was ever a country. So it is a great deal of respect that I have for these folks.

And it will not surprise any Member, any of my colleagues on this panel, that I am going to go directly to attack aviation because it is a concern of mine, and I think it is shared by many of the members on this panel.

And just a couple of really quick questions out of the box for General Grass.

Before deploying, Guard aviation units are certified by their active-duty counterparts to be proficient at the same standard their active-duty counterparts have to be before deploying in the theater. Correct?

General GRASS. Congressman, that is correct.

Mr. WOMACK. Did any National Guard units alerted for duty, mobilized for duty, ever not deploy?

General GRASS. We had one that was off-ramped just about a year ago.

Mr. WOMACK. Was it a training issue? Was it a certification issue?

General GRASS. No, Congressman. It was a reduction in force.

Mr. WOMACK. Reduction in force.

Can you tell me if any of our National Guard, Apache units particularly, ever performed poorly in theater?

General GRASS. No, Congressman. And I was just there last week and I talked to some of our active-duty counterparts that our Apache pilots worked for, and they said they were truly up to the task—of any task.

Mr. WOMACK. General, it is logical to conclude that the Guard units, Reserve component units, bring a lot of value to the structure of our Army in that these are not, for the most part, full-time soldiers.

They are men and women who have other jobs and are able to manage that delicate balance between job, between family, and between their military duties to serve their country in a very honorable way.

So is it not logical to assume that we can train, equip, man, and even deploy National Guard and Reserve component units for a fraction of the cost of what we do with our active component folks, trying not to necessarily divide us or become divisive in this discussion, but just to prove a point?

General GRASS. Congressman, as we alert a unit, there is additional training required, and that is because of the number of days that we train PREMOB. So there is always tasks to be accomplished. And we save about one-third the cost in peacetime.

But it is all about time to deploy, time to train up and deploy, and, also, then what tasks you want that soldier to do. And they are going to do the same training and certification that an active unit will do before they deploy.

Mr. WOMACK. So back to my original thesis that the decision in the aviation restructure program that the Army has advanced and that we drilled down on with Secretary McHugh and General Odierno that—I have concerns that taking all of the attack aviation out of the National Guard for budgetary purposes and putting it in the active component is—I think it is a flawed proposal because it robs the National Guard of any of the strategic depth that the Army would have in the event that all of its assets were committed.

So you offered an alternative—or you talked about this in your opening statement, but you offered an alternative proposal. Can you elaborate just briefly on it.

General GRASS. Yes. Congressman, I looked across the board. We have 8 attack battalions today with 24 helicopters, mostly modernized Delta models.

Mr. WOMACK. Modernized as a result of the generosity of this committee.

General GRASS. Yes, sir.

Mr. WOMACK. Sorry to interrupt.

General GRASS. And we had mostly Alpha models, outdated and pre-9/11. And so we deployed those Alpha models a certain number of times either at the battalion or company level.

And then there was a period about the mid-2000s where the policy decision was made not to send Alpha models any longer and convert to Delta. We converted to the Delta models, which we have today.

We deployed 12 battalions in 5 company-level deployments. We were ready to do more. But now we have those modern aircraft with experienced pilots with—you know, battalion may have 12,000 combat hours in it today.

Our other concern and why we put this proposal together was, when people come off of active duty—when pilots come off of active duty today, we won't even be able to capture that, you know, over \$800,000 to get a pilot into the cockpit—so we feel that that is a great opportunity in the future—and retain, as you said, sir, you know, that strategic hedge there, that strategic capability, that is not easily replaced.

Mr. WOMACK. I will come back when I have my next round of questions. I know I am out of time right now.

But, again, my thanks to the panel for being here today and their great service to our country.

Mr. Chairman, I yield back.

Mr. FRELINGHUYSEN. Chairman Rogers.

REMARKS OF CHAIRMAN ROGERS

Mr. ROGERS. Thank you, Mr. Chairman. Thank you very much. I apologize for being late, but we were marking up another bill just now.

Gentlemen, thank you for being with us today. Thank you for your service to your country.

In this fast-changing world in which we live, there is no question that those who serve under the flag are doing so in a very critical period of our history.

As we have seen a nation's sovereign power come under siege in Ukraine over the past several weeks, tragedy, unfortunately, once again hitting at Fort Hood, Texas, we are constantly reminded that our country, our freedom, and our way of life are not to be taken for granted. There must be vigilance, and you are providing that.

I, therefore, want to associate my remarks with those of my colleagues in recognition of the fine service, dedication, sacrifice of the men and women that you represent here today, including yourselves.

The soldiers and airmen of the Guard and Reserve have time and again answered the call to serve in some of the most difficult conditions domestically and abroad.

And as this subcommittee has done in the past, we stand ready to try to provide you with the tools, the training, the equipment, and whatever support is necessary to carry out your vital security mission.

There is going to be some changes to the structure of the force as we transition in this new post-war time. The question we hope to answer in this committee is: Is the Department of Defense being strategic, efficient, and properly aligning funding to mission requirements and results? That is the question.

Undoubtedly, DoD is still reeling from the impacts of sequestration. And the choices that we must make to fund our military within the Murray-Ryan budget caps are difficult.

For this reason, I am eager to hear your plans as you strike the delicate balance between readiness, force structure, and modernization during these difficult budgetary times.

Mr. Chairman, if I may ask a couple of questions, especially—are you having trouble hearing me?

Mr. FRELINGHUYSEN. A little bit. You have two mikes now to double the trouble.

COUNTER-DRUG PROGRAM

Mr. ROGERS. You are probably better off not hearing me.

In my home State of Kentucky, we have an incredible drug problem, as I guess most of the country does. And since 1998, the Kentucky National Guard has been an instrumental partner to our State and local law enforcement units in the fight against illicit drugs and transnational threats.

Its joint support operations task force has eradicated 13 million marijuana plants and seized over 76 bulk pounds of marijuana, 4,500 illegal weapons, to the tune of \$25 billion.

I fear that, as certain people in this country continue to spew fallacies about the dangers of marijuana, demand is only going to increase. That is why the National Guard's counter-drug program and its military-unique support is now, I think, more important than ever.

General Grass, the fiscal year 2015 budget request was greatly reduced from the fiscal year 2014 level from \$200 million down to \$89.5 million.

What is being done to ensure that this program continues to be adequately funded?

I have flown on some of those raids in the choppers, and it is an amazing heroic act that these Guardsmen are doing, rappelling down in terrain that can't be accessed any other way, cutting the marijuana, and being lifted back up with a big net sack back into the chopper and dangling as they fly across country to a place where it can be disposed of. This is hard work. It is great training. But I need to know where you are coming from.

General GRASS. Chairman Rogers, I will ask General Clarke and General Lyons to talk about the resources versus how we are going to prioritize against readiness and modernization here in a few minutes.

Let me talk about—and I will answer your question on the counter-drugs, sir. One of the problems we have experienced, close to 50 percent of our counter-drug money has disappeared in the

last 3 years. And thanks to the Congress, money is added back in each year.

The problem that the States are dealing with is trying to build a long-term program in hiring, you know, the Guardsmen and -women that do this mission across the States, trying to get some stability, so that, you know, we can give them a career path for this work they are doing for us.

But when you only get a portion of your budget each year to start the year, it makes it very difficult, that we end up having to basically lay off people and hire them back later in the year. So it has created huge disruptions.

Not only that, we now are under instructions for next year to close down our five counter-drug schools, which have been so productive across the map. But, you know, tough choices are being made in those accounts.

And I know that every State has talked to me. The adjutants general and the governors are very concerned about this, but Department of Defense, with their budget coming down, had to make some tough choices.

Mr. ROGERS. Well, to reduce that account from \$200 million to \$89.5 million in one year doesn't match the ratio of other spending cuts in other parts of the budget.

This one took a disproportionate hit. How come?

General GRASS. Sir, the other issue that we are dealing with—and it deals with the southwest border mission. That mission, which the Guard's been involved with for probably 3, 4 years now, every year there is money set aside for those four States, and we are running close to 200 soldiers and airmen that support that mission.

But that money has to come out of defense's hide every year. And we have been working to try to pass that mission back to Department of Homeland Security. So that money has to come out of our defense budget as well.

Mr. ROGERS. I am not sure I followed you on that.

General GRASS. The four States was an add-on mission about 3 years ago, sir, and it just tapped. It came on top of a budget that was already declining. The intent was for us to help train up agents along the border and then step back from the mission.

Mr. ROGERS. In Kentucky, as the Guard transitions from the OH-58 helicopter to the UH-72, I understand that the cost per flight hour will increase by over 100 percent. That will reduce flight hours for marijuana-spotting by 40 percent, even with good luck in getting the budget back.

What can we do to mitigate that dramatic reduction in surveillance and eradication of marijuana?

General LYONS. Chairman Rogers, as you mentioned about the change in the platform from the OH-58 Delta, which would be removed under the aviation restructure initiative to the UH-72, I would like to take for the record the cost per flight hour, sir, because I want to give you an accurate response on that.

The airframe itself, the UH-72 helicopter, is suited for domestic missions. It is configured for those missions. The cost per flight hour is greater.

But I want to get you the answer on what that Delta is. So if that is okay, I would like to take that for the record.

[The information follows:]

For the UH-72, the reimbursable rate cost per flight hour is \$2,527.

For the OH-58A/C, the reimbursable rate cost per flight hour is \$1,165.

Note: The intra-Army cost factor rate does not include Contractor Logistical Support, which is a major cost driver for the UH-72. For this reason, we are using the Department of Defense reimbursable rate instead.

But that is a fact of the aviation restructure initiative, which will remove all of the OH-58 Deltas, Charlies, and Alphas from the Army National Guard. We agree with that aspect of the ARI.

There are cost avoidances that come with that plan in reducing the number of airframes, but that does have the effect of placing that particular mission that you are talking about into a new platform.

CLOSE AIR SUPPORT

Mr. ROGERS. General Grass, will these five regional training centers just be simply closed and locked and that mission done away with?

General GRASS. Chairman, that is the plan right now, that we have been directed to close them.

Mr. ROGERS. Has there been discussion about transferring it maybe to another agency to operate?

General GRASS. Not that I am aware of yet, but I am sure that will come up.

Mr. ROGERS. You don't sound very upset about this.

General GRASS. Chairman, I visit them. They are outstanding facilities. In fact, there is many of our local jurisdictions, whether it is hometown America or a county police force, that will not receive training without those facilities. We provide, basically, the logistics and the administration of a facility, and then local law enforcement and—they come in and train there.

Mr. ROGERS. How much money would it take to keep them going?

General GRASS. Chairman, if I could take that for the record, I will bring it back for you. I will get the breakdown for you.

[The information follows:]

The Counterdrug Training Centers (TC) have historically been funded at \$25M (\$5M per TC) through the Deputy Assistant Secretary of Defense for Counter-narcotics and Global Threats' Central Transfer Account. The \$4.9M appropriated in FY 14 was intended as funding to close the TCs.

Mr. ROGERS. Thank you, Mr. Chairman.

Mr. FRELINGHUYSEN. Thank you, Mr. Chairman.

Mr. Moran.

IMPACT OF PHASING OUT THE A-10

Mr. MORAN. Thanks very much, Mr. Chairman.

I have two areas of inquiry. The first is probably best addressed to Lieutenant General Clarke. But it involves the Warthog and its retirement in this budget.

It used to be the primary close air support aircraft, but we find that the Air Force has determined that it is not survivable in cur-

rent or future conflicts. And then, in fact, 80 percent of close air support in the Afghan war was provided by other platforms.

So of the 343, the intent is to retire 283 of them over—virtually the vast majority of them over the next 5 years. That is going to save—\$4.2 billion is, again, the estimate in the budget.

What happens to the personnel that have been assigned to the A-10? Are they separated from service? Do they go to other missions? What happens to them, General?

General CLARKE. Sir, I can speak on behalf of the Air National Guard, and then I will give you my suspicion of what will happen with the regular Air Force airmen.

For the Air National Guard, wherever we were losing an A-10 mission, we were picking up a different mission that the Air Force had assigned to four different locations where we had the airplane.

For the regular Air Force airmen, I would think, in their ability to retrain and put people against other requirements that they have, which they have plenty, they will find another job somewhere in the Air Force.

Mr. MORAN. Well, okay. But the Air National Guard has been using them. I mean, it is a relevant question, is it not, to the Air National Guard?

General CLARKE. With regard to where the airmen are going?

Mr. MORAN. The impact of phasing out the A-10.

General CLARKE. Yes, sir.

REDUCTION IN CIVILIAN PERSONNEL

Mr. MORAN. Yes.

Let me ask the question here, Mr. Chairman.

And this goes to the civilian workforce. And the reason I am asking is because it turns out that a great many Reservists also serve their country as civilian employees at the Department of Defense.

Now, in last year's defense authorization, there was a cut of 5 percent. In other words, the civilian workforce has to be cut by the same amount as the uniform workforce. It was dubbed the McCain cut thing.

In addition, now, we have got a suggestion. And, in fact, our very good friends, Mr. Calvert and Ms. Granger, have suggested that we cut the civilian workforce by another 10 percent. So it is basically a 15 percent cut.

Now, what I want to know is: What would be the impact on Reservists? And do you think that is going to have to be picked up by more contract personnel?

Because that is actually where the most significant increase in personnel has come, is the contract workforce, more than uniform and civilian.

But what would be the impact on the Guard and Reserve, particularly the Reserve, if we were to have a requirement of as much as a 15 percent reduction in civilian personnel over the next 5 years?

General CLARKE. Congressman, the personnel that you are talking about, what they call dual-status technicians, that serve the Air National Guard—

Mr. MORAN. They are dual status. Exactly.

General CLARKE. I get your point. Because if you brought in airmen who are dual-status technician AGR traditional Guardsmen, you wouldn't be able to tell the difference in who they are. In fact, if you stood a regular Air Force airman next to them, you wouldn't be able to tell the difference between them.

So these full-time technicians have an important duty. Mostly, their concerns are ensuring that the part-time force is well trained and able to do their job when they are tasked either at home or overseas.

So if we were to lose a good portion of those in our force structure, it would be devastating to the Guard, because they provide such an important function of training and administrating the part-time force, which is the real strength of the Air National Guard.

Mr. MORAN. So it is interdependent, you are telling us, this civilian workforce?

General CLARKE. Yes, sir. We are very keenly aware of the issue if we weren't able to retain our dual-status technicians.

And last year's furloughs significantly impacted us because we were unable to conduct our normal training, which we took a little deficit in training because they were furloughed and during the government shutdown.

So our interest is in keeping them actively employed all the time, because the way the Air Force works, the way the Total Force works for the Air Force, we have to have those individuals doing their jobs throughout the week to ensure that our weekend training and other training opportunities go without a hitch.

Mr. MORAN. I see. Well, that is important to understand. I appreciate that testimony, General.

Does anybody else want to comment on the civilian workforce reduction?

General LYONS. Congressman, I would add our full-time manning, specifically our dual-status technicians, really are the foundation of our formations. They account for our property. They maintain material. They provide administrative support. So they generate readiness in our formations. So they are absolutely vital to what we do.

I would also offer that reductions in those dual-status technicians are accompanied by reductions in force structure, because the two are tied together. So there would be a corresponding effect there, also, in further reductions as well.

Mr. MORAN. General.

General TALLEY. Sir, thanks for the question. It is particularly relevant.

In the Army Reserve, we are a traditional force. So without our full-time manning, whether it is 12,700 military technicians or almost 3,000 Department of Army civilians or our AGRs, we might as well just shut down the Army Reserve and go home.

And the reason being is they keep everything running. A lot of folks don't realize that you want to process pay to get your soldiers paid, just like a private company would. That has to be done by those full-time manning after the battle assembly is over.

We have an all-volunteer force. We have to make sure that the training is planned well and ready to execute so, when they come

in for battle assemblies and collective training events, we are not wasting their time. Otherwise, they won't stay in our all-volunteer force.

The biggest way that you can generally save money is to cut your full-time manning. The Army Reserve is only authorized 13.1 percent full-time manning, the lowest of any service or component. The average for the Reserve component for the DoD is 19.4 percent. And, yet, I am the largest three-star command in the DoD and the second largest command in the Army.

So as we start talking about budget cuts and how to pay certain bills and there is discussion of reducing full-time manning, it will have an incredibly negative impact on the Army Reserve. I would de facto no longer be able to operate a functional unit or functional capability if they significantly reduce my full-time manning.

Mr. MORAN. Okay. Thank you. That is very helpful to get on the record.

Thank you, Mr. Chairman.

Mr. FRELINGHUYSEN. Thank you, Mr. Moran.

Ms. Granger.

C-130

Ms. GRANGER. Thank you.

Thank you all for your service and for being here today. We appreciate it very much.

General Talley, thank you for sharing that story about the family. I know everyone here has had the same experience. I have lost 37 from my district in these two wars, and I always go out and visit the families.

And with not a single exception, without a single exception, the families tell me how proud their son or brother was in serving. And so that says a lot about what you are doing.

I am concerned about the future of the Air National Guard C-130 fleet. At this time I understand there are only two units that are currently operating the new J model aircraft while 15 other States are operating the legacy H models.

And, as I understand the crew size, the training requirements are different with the H and the J with considerable difference in operating costs, also. So perhaps most troubling is the possibility that all the legacy C-130s will be grounded by 2020.

General Clarke, it seems to me like we are running out of time to fix this issue. So what recommendations do you have to continue to keep the very relevant C-130s going forward?

General CLARKE. Congresswoman, the C-130s right now—they are still in production. The C-130Js are coming off the line.

The Air Force is recapitalizing with the C-130Js. That is one pathway, is to go after recapitalization with new airplanes to replace the older H model airplanes.

But, in the meantime, as you pointed out, the time to do that is short. And, yet, we also have other concerns with being able to operate the aircraft in airspace that is going to require some modifications.

So there are desires to have modernization to the H model C-130s, which would be the second pathway, in order to ensure that we can get to the recapitalization.

The current plan is, from my perspective, best if we find what minimum modernization dollars are required to ensure safety, reliability, and compatibility of those aircraft to comply with combatant commander requirements, which requires flying through international airspace and our own domestic airspace.

If we can meet those with the dollars required to do that, we can then move on to the recapitalization with newer C-130s. That would be my true path of how we would make this a healthy fleet.

Ms. GRANGER. Good. Would you keep us informed how that is going forward?

General CLARKE. Yes, ma'am.

Ms. GRANGER. Thank you.

Thank you, Mr. Chairman.

Mr. FRELINGHUYSEN. Mr. Owens.

Mr. OWENS. Thank you, Mr. Chairman.

Thank you, gentlemen, for coming in to testify.

General LYONS, good to see you again.

General LYONS. Good to see you, sir.

EQUIPMENT

Mr. OWENS. We just had a nice recent visit.

In the testimony, you indicate that at the current time your equipment readiness looks to me to be in the range of about 90 percent, on average.

Is that, in fact, a true reading of where you are? And what is the projection going out 5 years, particularly if we go back into a sequester mode in fiscal year 2016?

General LYONS. Thank you, Congressman.

So there is two pieces to this. There is the equipment on hand and then equipment readiness, and both of those are at their highest levels that they have ever been.

And much of that is directly related to the work of the committee in providing funds for us to modernize our equipment and improve our equipment on hand through NGRE. So we are at historic highs right now both in equipment on hand percentage and equipment readiness.

So you asked about projecting out 5 years. My concern is, as we look at—taking, for example, fiscal year 2015 and the reduction in O&M dollars specifically that allows us to maintain that equipment and creates an additional backlog on maintenance and repair specifically, that readiness level that we are at is going to degrade over time as a result of reductions in those funding levels.

So it is difficult to project out 5 years. I do think it is safe to say, though, that, at reduced funding levels in our O&M accounts, that those readiness levels that you mentioned are going to come down proportionately.

MENTAL HEALTH AND REINTEGRATION

Mr. OWENS. Thank you.

As you have seen units deploy and return, are you being adequately—or are the troops being adequately provided mental health services in the communities in which they live as they return from deployments?

General LYONS. Congressman, we are focused very hard on that, about the effects of deployments, about the reintegration of our men and women into our formations.

We try and approach this over the deployment cycle, what we call it, so maintaining touch points with our men and women as they are getting ready to deploy, staying in touch with their families and the soldiers while they are deployed, and then, when they return home at the 45-, 60-, and 90-day window, having the opportunity to get face to face with those men and women and do an assessment.

So we have dedicated full-time resources to that in the form of directors of psychological health in the 54 States, Territories, and the District. We have 78 of those hired today.

With thanks to the Congress and this committee, we have an additional \$10 million that has been made available to us. We anticipate that that is going to allow us to double the number of behavioral health providers in our formations. These are master's-level, credentialed behavior health providers.

So we remain focused on it, Congressman, and we use every opportunity that we have to interact with our men and women in a geographically dispersed force during drill weekends, annual training, and when they return home.

Mr. OWENS. Are you having any difficulty recruiting providers?

General LYONS. Not that I am aware of, sir.

Mr. OWENS. The reason I ask that question is we had the surgeons general in the other day for testimony, and certainly, in rural areas, that issue of lack of providers is found both in the civilian and the military population.

General LYONS. Yes, sir. And that is probably a fair observation.

You know, as I mentioned, the directors of psychological health that we have right now are in our Joint Force Headquarters, which is the State headquarters.

It does stand to reason that, as you get out into more remote communities, that that pool to draw on may, in fact, be reduced.

But what I will do, sir, is I will take that for the record and I will come back to you on the population that we are drawing on to hire those personnel and get an answer on that.

[The information follows:]

The Army National Guard (ARNG) Psychological Health Program has 54 contracted Directors of Psychological Health (DPHs) and 24 additional DPHs for identified high risk states. The DPHs are located at ARNG Joint Force Headquarters, Offices of State Surgeons and other areas deemed necessary by the respective state's adjutant general. This program's approach is to leverage community capacity and access to care in every state and territory to include rural areas. Because the ARNG has only 78 DPHs to cover the entire nation, they must rely on local community support agencies to assist and serve our ARNG population.

Access to qualified psychological health providers can be an issue in rural areas not just for Army Guard Soldiers, but for the general population as well. The ARNG's priority has been to focus our limited hires in densely populated areas so that DPHs may be embedded as part of multidisciplinary teams. Travel funds are provided so that they can visit or serve our geographically dispersed population as needed.

Aside from face-to-face and telephonic support, the DPHs provide crisis intervention, prevention, education and case management as part of a larger multidisciplinary team. The contractor takes provisions to ensure that the requirement is fulfilled to the quality standards set forth by the contract and that services are provided on time and within funding limits.

The ARNG is also in the early stages of building an information technology infrastructure, to include a tele-behavioral health network, to improve service to more rural areas.

Mr. OWENS. And where they are geographically dispersed would also be helpful.

General LYONS. Yes, sir.

Mr. OWENS. Thank you.

I yield back.

Mr. FRELINGHUYSEN. Thank you, Mr. Owens.

Mr. Crenshaw.

DOMESTIC REQUIREMENTS

Mr. CRENSHAW. Thank you, Mr. Chairman.

And thank you all for being here and for your service.

I want to ask about the size of the National Guard.

General Grass, I am sure you are aware that, when you talk about restructuring and reducing the size not only of the active services, but the Guard and the Reserve, that causes a certain amount of consternation back in the States.

And I can tell you, in a State like Florida where you have an unusually active Guard not only in terms of defending us abroad, but, also, meeting some of the needs—there was a time when we had four hurricanes in a three-week period.

And so you couple that with the fact that, in a State like Florida, it actually has the lowest ratio of Guardsmen to population. I think we are number 54 out of 54.

And so my question is: When you meet with the Army to decide about this restructuring and reduction, do you take into consideration the different needs, the different States, the different sizes, in terms of ratio to population? Questions of readiness? Some States are more ready to go than other States. Talk about the factors that went into those decisions.

General GRASS. Congressman, two things that occur here when we go through the analysis. And both my partners here could go into great detail.

But the first one is, when we have to make a reduction across the board, we work with the adjutants general. And we have developed a model that we plug the numbers in on what the reduction is, and it takes in the recent deployments, it takes in the readiness accounts, it takes in the demographics.

But we always realize there has to be a baseline of command and control units in place, because just having soldiers and airmen in there doesn't accomplish the mission when it is time to respond to a hurricane or any type of a disaster.

The second part, though, in addition to the model, that we are taking a serious look at right now—and my plans chief has been working on this for a year and a half with FEMA and with NORTHCOM—is we have never been able to model for the States what we call the worst night in America, you know, something well beyond a Hurricane Katrina.

One of the exercises we are getting ready to run right now is on the West Coast of the United States and California, an 8.2 earthquake, you know, in downtown Los Angeles or on the New Madrid. So now we are modeling it.

We brought in the State plans, which are synchronized between the National Guard and the local responders, and we are looking at where the gaps and seams are in that. And that should generate for the future the plans that we will build to. And Administrator Fugate has been great supporting us on this, giving us the ideas of the response time.

And we have 10 essential functions that we look at that we use in just about every disaster. So we will be looking at how those are positioned across the country. So a lot of work to do to get to that.

Right now what we are working at is with the current round of cuts and the number I mentioned under the Budget Control Act and sequestration, of going down to 315,000 from—you know, by the end of 2015, we are going to be down to 350,200 Army Guard and about 105,000 Air Guard.

When we drop that low, I am very concerned about the response times. We will still have people, soldiers and airmen, that can move. We will have reduced command and control. And the response times to get in and help is going to be longer.

COUNTER DRUG PROGRAM

Mr. CRENSHAW. Quick follow-up maybe to what Chairman Rogers—

Mr. FRELINGHUYSEN. Absolutely. Would you yield to me after you are through the course of your questions, I have another few questions.

Mr. CRENSHAW. Absolutely.

Chairman Rogers talked about the counter-drug program, and what is interesting is, I think we all agree it is a great program, and while you don't always ask for the money, Congress always puts money in. But the last couple years has been like a hundred million dollars that expires, because it wasn't spent and it wasn't transferred to another account.

Can you explain that?

General GRASS. Congressman, one of the problems we deal in, and most of that money comes in, in pay-in allowances, so like last year we got the money in June. Our fiscal year ends at the end of September, so we had to cut back at the start of the year because we didn't have the money to keep people on duty. Then when we got the money, now you are looking at trying to hire people to come in, and you got to get them trained up, and we ended up running out time to spend the money. It was hard to—it was about 130 million I think last year that we had to try to use, and we didn't want to waste it in any way. We wanted to make sure it was used effectively out in the communities with each state.

But it is that up and down that makes it very difficult.

Mr. FRELINGHUYSEN. Would you yield to me? I just want—my predecessor told me once, and tell me, General Clarke, does the Air Force Guard have any C-130s in Florida?

General CLARKE. I'm sorry sir, does the Air Guard have?

Mr. FRELINGHUYSEN. Any C-130s in Florida.

General CLARKE. No, sir.

Mr. FRELINGHUYSEN. That is pretty amazing. I don't want to add on to your anxiety, but that workhorse would be, I think, pretty

valuable in a state that has faced you know so many incredible crises.

Ms. McCollum.

DUAL STATUS

Ms. MCCOLLUM. First off, on the dual status I am really glad Mr. Moran asked the question. It is something that has been on my mind to kind of get out on the table because I am intimately familiar even as a young child what dual status meant, to a family, what it means to our military, and what it means to our Department of Defense. And I bring that up because right after 9/11, there was a lot of confusion as people were getting called up in the Guard, you know, with dual status. Which health care plan is my family on? Which health care plan am I on? And it was a real mess, and a lot of people when we called up and picked up the phone and started talking to people, even in the Pentagon, didn't know what we were talking about, so I hope that that protocol or whatever got put in place that has finally been working for those dual status people, remains in place and remains refreshed and kept up to date.

Because if they are called up again, I would hate for us to have to go back and have those families go through the struggle that they were and have that service man or woman being deployed wondering whether or not when they were leaving if their family had health insurance or if they were going to be in an insurance gap which many of them were afraid they were going to be.

READINESS

And, Mr. Chair, I hear the committee loud and clear; and to kind of sum up I think what we are going to be working on is, as my grandmother said, when you borrow or use something, you return it in good condition, maybe even better condition; and so I think we want to make sure that our guards are at that point and then to make sure that our guards are equipped.

I know when Minnesota's National Guard wasn't any different than any of the other National Guards when they didn't have enough equipment, when they didn't have enough body armor, when they were being deployed and our men and women tend to have either white for snow training or green for forest training, so they weren't the right camouflage color when they were leaving and so those kinds of things I hope that this committee working with you will keep up on.

SEXUAL ASSAULT

What I would like to ask the National Guard about is military sexual assault because the Guard has a very, very unique role as well as the Reserves do with the people who are involved in your units. The Pentagon has reported about 5,400 instances of sexual assault or unwanted sexual contacts were reported in the military last year, which was a 60 percent rise from 2012. This is a disturbingly high number, and there is ongoing investigations and new revelations of misconduct and sexual assault within the ranks, and

that is the very issue that this committee takes very seriously and wants to see addressed.

The Guard, because in many ways the way people enroll; it is families, it is friends, it is cousins, it is neighbors, it is people you went to high school with, people you work with, I mean, these really are family, community-based units.

So one of the questions I had asked Mr. Lyons is kind of like how does the Guard address this, and has this been a problem in the Guard? Speaking to Guards women who have been activated and one reservist, the attack that was perpetrated on him was not by a fellow guards person or a reservist. It was a person in quote-unquote "traditional active duty."

So could you tell me what kind of programs you are looking at. What do you think you need to do to better to address sexual assault, but foremost, I would like you to answer a question. How do you treat sexual assault? Because you don't do things within the command and within the ranks, do you not? Do you not turn them over usually to outside prosecutors?

Who would ever like to go first?

General GRASS. Congresswoman, let me start by saying that this is a serious problem that we all take extremely, extremely seriously. And I would tell you that as a member of the Joint Chiefs, we spent quite a bit of time on this topic, and one of the things we have done within the National Guard is I have made it clear to my counterparts on the Joint Chiefs that we do have some issues that are different, and we have to address them differently.

So if we have someone on a drill status on a weekend and a sexual assault occurs and the state does not have a uniform code of military justice, their only tool may be to turn to a local prosecutor, and we find that unless there is strong evidence, if alcohol is involved, they will normally not take the case. So what we want to do is provide a better legal framework for that, so we stood up about two years ago and started training, and it is our Office of Complex Investigations. They are trained legal members from the Guard, and they are from other states. We are up to 92 now that have been trained at Ft. Leonardwood. All it takes is a call from the state, and we will send them in.

The nice thing about our team is that they can come from another state. They can walk in. The victim doesn't have to know the person, where inside the state the victim may know the legal framework there, the legal representatives.

So, we are very, very committed to doing this, the 92. We sent the teams out to states, we write the report. Some states do have a Uniform Code of Military Justice under the governor and under the adjutant general, and they are taking action as these cases come forward.

Soon, within probably two weeks, I will be able to sign off on a special victims council program that the Army is going to be giving us approval for. I know the Air Force has already given the Air Guard, so you have a special council for the victim in hometown America. So, we have a lot of actions underway, and we need to continue to hammer this home.

What we are seeing right now is possibly an increase in the number of reporting, but what we are also seeing is some of those re-

ports were two, three years ago, or even before the person got in the military. So we think we are making a progress toward people being comfortable to report so we can get after the problem.

Ms. MCCOLLUM. Would you say in those states where you turn it over to the state, it is outside of the quote-unquote that what being is discussed here, the “traditional chain of command”, has that influenced or weakened the Guard in any way?

General GRASS. Ma’am, I would have to go back and look at the statistics on it.

Ms. MCCOLLUM. Mr. Lyons.

General LYONS. Ma’am, I might offer that in those circumstances where you are talking to is, the commander of the unit will still take action based on the results of the civilian prosecution. So a unit commander, if a perpetrator is convicted in civilian court, the unit commander is going to take action on the military side as a result of that conviction, so there still is involvement.

You know, we have applied full-time resources towards this issue. We have 95 special—I am sorry, sexual assault response coordinators and full-time victim advocates in the states, territories and the District. We have also trained 2,400 collateral duty victim advocates to push down advocacy for victims to the lowest level that we can across our formations. So, you know, it is kind of the three lines of effort here that General Grass talked to which is prevention, making sure that we are ensuring that we have a culture of dignity and respect in our formations where our men and women feel safe and secure and can participate to their fullest potential.

We use the Office of Complex Investigation, we partner with local law enforcement, and then we hold accountable through the mechanisms that General Grass talked about.

Ms. MCCOLLUM. So to sum up, would it be fair to say in areas where you know, these acts are committed within the United States, within a state, turning it over as a criminal matter, to the state, in doing the dual track, and still doing the discipline within the military, that that has not affected, weakened, or diminished your chain of command?

General GRASS. Ma’am, I can tell you that, again, going back to the Joint Chiefs, we have had many conversations about this.

Ms. MCCOLLUM. I am not asking the Joint Chiefs. I am asking you folks. I am asking the Guard, and I am asking the Reserve. I have heard from the Joint Chiefs.

General GRASS. Yes, ma’am, and taking the commander out of the loop is the wrong thing to do. We need to hold them accountable for this and give them the tools.

Ms. MCCOLLUM. Sir, I didn’t say to take the commander out of the loop. I still said that the military can go forward and do its thing. I asked if prosecuting this in a criminal court in any way, I mean, that is what you are doing now in most cases, so are you saying your chain of command has been weakened over these past years in the way that you have conducted your sexual investigations and turned things over?

General GRASS. No, ma’am.

Ms. MCCOLLUM. Okay.

General GRASS. We have not.

Ms. MCCOLLUM. Thank you.

SEXUAL ASSAULT

Mr. FRELINGHUYSEN. Just for the record if you will yield, we put \$25 million in there, not only for the regular military, but for the Guard and Reserve, and we assume that part of that money is being used towards making sure these situations do not continue.

Let me associate myself with Ms. McCollum. I think all of us do. We are not going to tolerate this kind of behavior.

Ms. MCCOLLUM. Mr. Chair, I mean, my point simply was, is that right now the Guard, if there is a crime committed, they prosecute it when they can in the regular, traditional criminal court system, and then they still have their ability to punish and to discipline within the military system; and so that is a system that has worked well for women all across this country and for men who have been assaulted as well.

Thank you, Mr. Chair.

Mr. FRELINGHUYSEN. Thank you, Ms. McCollum.

Mr. Cole.

STRATEGIC U.S. OPERATIONAL RESERVE

Mr. COLE. Thank you Mr. Chairman.

Thank you gentlemen for your service.

And I apologize for arriving late, but as we all know, the committee schedule is pretty hefty right now.

You may have covered some of this in your testimony. I want to direct my question to General Grass and also General Talley at least initially.

When I first came to Congress, it was in January of 2003 and before Iraq but just before, and I was really incredibly impressed with the Guard and the Reserve and the manner in which they responded. The assumption at that time was very much that the Guard and Reserve were just that, a strategic Reserve; but to watch them transform themselves into an operational force as quickly as they did and over the amount of time that they have is pretty amazing.

And it is clearly, you know, an extraordinarily important part of when we go to war now as to whether or not the Guard and Reserve are capable of doing that with that kind of speed.

What concerns, if any, do you have if we were to revert to the sort of 2001, 2002 strategic Reserve model as opposed to being what I think you are today, which is an exceptionally capable operational force?

General GRASS. Congressman, it would be very unfortunate for the United States of America and the governors of the states. I have had a chance in the year and a half on the job to visit 27 states, 7 countries, where our men and women were serving. Last week I was in Afghanistan.

This force in the National Guard, both at home and overseas, is something I have never seen in my 44 years in the Guard, and I would tell you that my biggest concern is as we draw down and we draw down the resources, these men and women will look for something else to do, and we will lose that strength, that capability.

Last week a town hall, in Camp Leatherneck, talking to guardsmen that were right there on the point of the spear, helping to tear

down the facilities, and I asked them, are you being deployed too much? They looked at me and said no, predictability is good but, no, we want to be a part of something bigger. If we know that the numbers are going to come down, when you get us back home, you better give us dynamic training. You better keep our weekend drills dedicated to taking our time and giving us the skills we need because we know based on what is happening to our military, if something happens in the world, we are going to have to go quicker, so we want to be ready quicker.

General LYONS. Sir, and if I can add. Oh, I'm sorry, General Talley. Go ahead.

General TALLEY. You know, as we look at this post 9/11 generation, you know, 87 percent of our Army guardsmen have joined since 9/11, so they have grown up in this operational tempo, this operational Reserve that we are all accustomed to. I use my own family as an example. My spouse is in the Guard. My stepson is in the Guard. My middle son is in the Guard. So four deployments between us.

Mr. COLE. Are they all married?

General LYONS. What is that?

Mr. COLE. Are they all married?

General LYONS. One is, sir.

Mr. COLE. Very understanding spouse.

Mr. FRELINGHUYSEN. Make sure that gets in the record.

General LYONS. Nearly 50 percent of our Army guardsmen and women are veterans, and so as General Grass highlighted, the challenge is we have to keep them engaged. We have to provide them the operational opportunities that are out there either in training or in operational missions, things like combat training center rotations which are the culminating training events that we have, the opportunity to serve overseas, continue with their state partnership program, remain engaged because as he so rightly said, if we don't offer those opportunities to develop our leaders of the future, my fear is as the acting director, is that they will decide they have something better to do with their time.

They feel value, they feel contribution in what they have done over the last 13 years, and they are eager to do more. That is the sense that I get from our men and women that serve.

Mr. COLE. General Talley.

General TALLEY. Congressman, thank you for the question.

Like General Odierno and Secretary McHugh, my biggest concern is if we ever ask a soldier to go do a mission and they are not properly trained, resourced and led. And I think if they are properly trained, resourced and led, it doesn't matter what component they are from.

But for the Army Reserve, as the Army has morphed and changed over the years, and we have become de facto, almost all of the enablers for the Total Army because most of our regular Army is the tooth, and the Army National Guards are in many ways a miniature version of big Army, but almost all of those enabling skills that we need to support those combat missions are in the Army Reserve. So our demand signal stays the same in the Army Reserve, whether we are no longer executing named oper-

ations, combat operations, or when we are switching to contingency operations.

So we have got to be ready. Well, those contingent missions may not require us, afford us the flexibility of going to a MOB site. You may have to go right away, and so for, us it is all about readiness. It is making sure that as the resourcing goes down, we have got to have enough OPTEMPO, money and resourcing to keep those enablers ready because we provide that support not only to the Army but to the total force.

Thanks for the question, sir.

BUDGET PROCESS

Mr. COLE. Oh, no. Thank you.

One other quick question, and the answer may not be too quick, but obviously we have heard a good deal of debate and discussion about the differences of opinion over air assets and what is happening given what we are all going through a very difficult downsizing and readjustment.

Are there other areas that particularly concerned you beyond that, in terms of the decisions that are being made right now, and are you comfortable that in the decision-making process you have had the opportunities to state your case and work back and forth with the regular Army and regular Air Force, what have you, to, you know, just to work through this together and come to common solutions to joint problems.

General CLARKE. I can go first because I have got the easy part of this discussion.

Yes, sir, absolutely. Working with the Air Force senior leadership unquestionable, the outstanding collaboration we have with the senior leadership is their—I mean, they pull us into every decision. They want to ensure that we have an opportunity to voice our opinions.

Remarkably this year, this past year, was the first time that the Air Force asked adjutants general to be a part of the programming decisions, to sit there and give their voices and let their voice be heard. They were representing all of the adjutants generals out there for the broad issues, but they had an opportunity to inject their opinion. And it was quite helpful, I think, I think General Welsh really appreciated them being there for the discussions.

So for us it is working very well, and I think in the future, particularly under Secretary James and General Welsh we can look forward to more of that.

Mr. COLE. All right.

General LYONS. Sir, I am concerned about the impact of budget reduction specifically into fiscal year 2015. We compete in the same Army processes for budget decisions, so where I see the risk that we are going to assume here is specifically in the readiness of our formations.

As we look ahead to fiscal year 2015, in terms of operations tempo, our ability to resource combat training center rotations will not be there. The rotations may be scheduled, but the funding both in pay and allowance and Operations and Maintenance to support that is not there. We will see impact in our base operations support, which is support for everything we do across our armories

across the Nation there. We will see risk in our sustainment, restoration, and modernization accounts. So as I talked in my opening statement about the average age of our facilities being about 44 years, and there is variances in that across the Nation, as things break, our ability to repair them, we will continue to defer that maintenance over time here, and so when you have an old facility and you are deferring maintenance it just exacerbates the issue and that reduces our readiness. We will see impacts in our depot maintenance as well.

But, what I am very concerned about is our ability to, again, engage our men and women and sustain the leaders that we have that have been honed over 13 years of hard fought and hard won experience, but also build that next generation of leaders and so our pay and in allowance and our O&M accounts directly contribute to our ability to do that, and so that is an area of concern.

FORCE STRUCTURE DECISIONS

Mr. FRELINGHUYSEN. Very briefly, because I want to give Mr. Aderholt a chance to put his marker down here since he is been very patient. Maybe you don't have any.

Yes. General Talley.

General TALLEY. Sir, quick response.

I have direct access to Secretary McHugh and General Odierno daily. I can get to see them any time I want and I have, particularly as you might guess on the issue of end strength and the force structure. What I ask the boss is, it is really how do we properly balance our Army, light, medium, heavy forces, Active Guard and Reserve, and how do we assume risk and provide the cost savings that we have to provide to the Secretary of Defense? The only thing I have asked the boss to do is allow me to make those recommendations to you as to how we might downsize the Army Reserve and how I can provide the cost savings to you. The boss has allowed me to do that. There has been a loss of discussion, a lot of give and take. At the end of the day, though, I pitch my case to the boss, he makes the decision, and then makes that recommendation to Congress. He has allowed me to do that.

General GRASS. Congressman, if I could, one of the toughest issues that we have to deal with in the Department of Defense, is finding the right mix between our active component and our Reserve component, and of course we just went through that with the Air Guard, and I think we have come up with a very good analytical way ahead. The way we have formed a team of task force continuation, stood up by General Welsh, is really helping to inform the metrics that go into that so we get it right for the Nation. I think we have to do the same thing inside the Army.

Mr. COLE. Thank you.

Thank you, Mr. Chairman.

Mr. FRELINGHUYSEN. Thank you, Mr. Cole.

Mr. Aderholt.

HUMVEES

Mr. ADERHOLT. Thank you. I will be brief here.

The National Guard has consistently included modernized Humvees among their top priority funding priorities, and funding

was included fiscal year 2013 and fiscal year 2014 to establish a multi-year program to modernize the rapidly aging fleet. I am aware that the partnership between the Army National Guard Bureau and industry has yielded an effective public/private partnership to rapidly fill like-new vehicles to Guard units nationwide as part of this program.

The question would be what kind of impact will these upgrades have on the Guard's ability to perform its mission?

General LYONS. Thank you, Congressman.

It has direct impact, and I want to thank the committee for their generous support in fiscal year 2013 and fiscal year 2014 for providing those dollars that does exactly what you just talked about, which is modernized legacy fleets of our wheeled vehicles. We have a vital of variance of Humvees in particular, and so those dollars are going to continue to allow us to modernize those vehicles, and so that has a direct impact on our readiness both for overseas missions and our domestic missions at home.

Mr. ADERHOLT. Let me just follow up.

As we are looking for fiscal year 2015 funding, what impact would additional funding have in respect to the Guards' initiative to upgrade the Humvees?

General LYONS. Thanks, Congressman.

We still continue to have legacy variants of our Humvee fleets, so we would look to continue to modernize.

General TALLEY. Sir, thanks for the question.

Like the National Guard, we have an aging Humvee fleet, and one of the areas that we would like to see if it is potentially possible to get additional resourcing would be how do we modernize those Humvees, particularly as it relates to ground ambulances? I own approximately 59 percent of the doctors and nurses for the Total Army, the Guard was able to get some additional funding last year where they can convert some of their Humvees into ground ambulances, great initiative, we would like to do exactly the same thing because there is no program or record fix for that.

Thank you, sir.

Mr. ADERHOLT. Thank you.

Ms. GRANGER [presiding]. Mr. Visclosky.

MOVING FROM ACTIVE SERVICE TO THE GUARD

Mr. VISCLOSKY. Thank you very much, Madam Chairman.

General Lyons, you had mentioned that about 50 percent of the Guard members are veterans. To what extent do you think there are still, and General Talley, you may want to address this as well.

Bureaucratic barriers for soldiers moving from active service to the Guard as well as the Reserve, that we could expedite this because obviously you do have that training, you have got that expertise, desire to serve. Are there things that can improve that flow of talent?

General LYONS. Thank you, Congressman.

We do want to capitalize on the opportunity to have serving active component soldiers, transition seamlessly into the Army National Guard. As we speak we are engaged in a pilot program called AC to RC, Active Component to Reserve Component. So I have career counselors at Ft. Hood Texas that engage early on, and

so as an active component soldier is making a decision to come off of active service, typically that engagement would occur anywhere from three to six months from that decision to leave.

What the AC to RC program will allow us to do is to extend that window out to about a year where that active component soldier gets exposed to the opportunities both in Army National Guard and the Army Reserve early on in the process, and then the second goal of that program is if that service in the Army National Guard requires a change of their military occupational specialty, that they make that change while they are on active duty, so the end result is the active component delivers a trained soldier into the paragraph and line number in the Army Guard formation, and so we have readiness that is maintained.

Mr. VISCLOSKY. With the skill that is needed?

General LYONS. Yes, exactly sir.

Mr. VISCLOSKY. Yeah.

General TALLEY. Sir, just to piggyback on that, what we need to do is, the regular Army has got to draw down in it is force structure and obviously the decision has been made to draw them down at a greater rate than that of COMPO 2 of the National Guard and COMPO 3 of the Army Reserve. We have got to emphasize soldier for life here. Soldier for life is not leaving the regular Army and becoming a civilian. It is serving in the regular Army, one of our great Army national guards or in the Army Reserve.

So to promote that, we have to actually extend our AC to RC program which is a regular Army program, even more. We have got to go more than a year out. We need to say how do we take soldiers that are quality soldiers, combat men and women, veterans, allow them to leave the active Army early and then finish their commitment in the Army Reserve or Army National Guard as we pull, not push them from our force, the regular Army force, and then train them in a career using in our case the Army Reserves and Employers Partnership Program, which was the initial program that eventually became Heroes to Hire for OSD.

Thanks, sir.

Mr. VISCLOSKY. Is that, if you would, a pilot as well in a sense?

General TALLEY. The pilot program that is being implemented right now, that we are testing at Ft. Hood, was really a discussion between the active Army, the Army Reserve, and the Army National Guard at Ft. Hood. It is allowing us to go in using Army Reserve and Army National Guard resources to pull folks, or to get with them a year in advance. My argument is I still don't think that is far enough. We got to go more than a year in advance because by the time they get to the transition point, they have already kind of made their mind up, and what we want to do is be able get them earlier and to allow them to understand that there may be a way that they can start training into a different MOS, occupational specialty, that would allow them a more viable civilian career transition.

General Odierno has got a cash flow issue. He has got to get cash flows quicker. He is going to have to draw down quicker than perhaps he might like. We could take advantage of that and help the rest of the Army by a more aggressive AC to RC program.

Mr. VISCLOSKY. You mentioned the pilot program as well as what you are doing in Reserve. We are going to hold a hearing about a year from now. Will the pilot program be completed? Will you have a better assessment as to whether this will facilitate and ease that movement of talent?

General TALLEY. Short answer is yes, sir. The Army G1 Howard Romberg, we are anticipating we should be able to get some sort of metrics in terms of whether or not it is going to work or not, we hope by mid to late summer, and then the idea is if we do we want to then expand that across all of the major military installations to capture the AC to RC.

And a point that I made earlier this morning is we also need to break down the barriers for the other services. In other words, if you serve in another service and you want to come into the Army, right now often we make you repeat basic training. I don't know why we do that, but we are trying to get that policy changed.

Mr. VISCLOSKY. Okay. And the pilot program, when will that end, General Lyons?

General LYONS. Sir, I would like to take that for the record because I am not sure on that, and I want to give you an accurate answer.

[The information follows:]

The AC2RC 365 Pilot Program at Ft. Hood is a one-year program. The program has yet to be implemented, but is expected to be implemented by the Active Duty within the next few weeks.

NATIONAL GUARD AND RESERVE EQUIPMENT ACCOUNT

Mr. VISCLOSKY. If I could, I would like to draw your attention to two accounts, one from my perspective very ephemeral, the opportunity, growth and security initiative account, that I am assuming will be plussed up fully once we do changes to entitlement programs and pass tax legislation this year.

Do you have requests for your various services in that account as a proposal, and just generally, yes or no? I am not interested in specifics at this point.

General GRASS. Congressman, we did submit unfinanced requirements be included with the Department of Defense.

Mr. VISCLOSKY. Let me ask then in conjunction with that question about another account, and that is the National Guard and Reserve equipment account that apparently somebody in the administration forgot to put any money in for a request for 2015. If, in 2015 that account receives funding, would there be items of particular interest to your services to be included in that, and would any of those be also represented in that opportunity, growth and security initiative request?

General LYONS. Congressman, first to the NGREA, again I want to thank the committee for their continued support in NGREA funding for the National Guard. It allows us flexibility to procure items that you are getting at that we don't have in the base budget.

Specifically in the Guard I just wanted to highlight the ability to purchase critical dual use items of equipment, those items of equipment that are good for the war fight as well as our domestic missions, and thanks to the committee's support, I am happy to report

that we were at 83 percent in fiscal year 2010 in critical dual use equipment, and we are up to 93 percent in fiscal year 2014, and so that is directly related to the committee's work. I want to thank you for that.

As you look ahead, we still have requirements. We have heavy truck fleet requirements, purchase of the chemical, biological, radiological, and nuclear. The CBRNE enterprise equipment, general engineering vehicles, simulators to train our force. So these are all examples that we would look to use NGREA funding for in the future, sir; in addition to the Humvee modernization that I talked about earlier with the additional funds the committee has provided in 2013 and 2014.

General CLARKE. Sir, yeah, my appreciation for the NGREA funds. From an aviation perspective, again we found uses in the dual use as well. But from a war fighting perspective, the opportunities, we still use the targeting pods that we received. It brought us up to the first string capability.

You know, in the National Guard we didn't have that capability, but we were literally put on the first string when we acquired that capability through NGREA funding.

The latest that I have seen is a modification to F-16s where we have a center display unit. The difference in that is trying to view something on a laptop over here, versus having a 60-inch TV right here for a pilot. That is a big deal because your ability to discriminate where the enemy is and particularly where the perimeters might be, it is just a game changer. We also have helmet mounted sights now. Remarkably good equipment that allows you to, and from my experiences in Iraq, if I look at something I can designate it with my sight off of my helmet. One push of the button, all my weapons and my sensors immediately go to that point on the ground. That is a game changer.

So the NGREA has just been fantastic. But to answer your question, sir, wherever there is a combatant commander requirement that needs to be met, if NGREA helps with it, that is very helpful, and we have a very good process—type process through weapons and tactics conference to identify which requirements are out there, and then we have a good process for prioritizing which ones we are going to try to fund with NGREA.

General TALLEY. Short answer, sir. Yes on the UFR list. It is already in. On NGREA, tremendous ability to help the Army Reserve. We are going to reinforce success. We are focused on simulation equipment and making the most of home station training particularly as we have to come down in OPTEMPO as it relates to travel money for example; and since most of our force is enablers, we are focusing pre-marksanship instruction, familiarization of weapons systems, how to basically execute trucks and convoy; and then when we do get on the real machines itself and the real equipment, it makes it quicker to train, it makes it safer. Tremendous value, sir.

Mr. VISCLOSKEY. Okay. Gentlemen, thank you very much.

Thanks, Mr. Chairman.

UPGRADED APACHES

Mr. FRELINGHUYSEN [presiding]. Gentleman, you are on your game. We do put money in this committee on the NGREA account, so it is good to hear that it is being properly utilized.

I have been trying to find out from staff, but since I know General Grass has had 44 years service, and let me say is it 12 as an enlisted man, you may have this answer.

How many Apaches do we have in the Army; would you guess?

General GRASS. We have in the Army Guard about—

Mr. FRELINGHUYSEN. I know the Army Guard. I just wondered if you knew what the big Army has.

General GRASS. 732 about.

General LYONS. Yes, sir, it is 732 with an acquisition objective of I believe, 690.

Mr. FRELINGHUYSEN. So following up with Mr. Womack, who was headed down this path here about the upgraded Apaches.

In the interests of full disclosure, this committee put in—tell me if this is accurate General Grass, this committee put in nearly a billion dollars to upgrade those Apaches for the National Guard?

General GRASS. Chairman, I would have to go back and check that. We were talking to our lawyers today to try to find those documents because they are critical.

Mr. FRELINGHUYSEN. I think this committee put the money in there specifically for the National Guard. You don't have to talk to your lawyers. I think we can help validate that.

General GRASS. Yes, sir.

CYBER ACTIVITIES

Mr. FRELINGHUYSEN. Though, I think this puts a point on our discussion here.

Just sort of shifting gears a little bit here, if you look at the overall defense budget, there are a few areas that have sort of been plussed up, and God only knows we give credit to our special operators for what they do. We may not know where they all are at any given time, but I am sure some of you, certainly the air component and others have been responsible for their safekeeping and their air travel and other means of getting here and about.

There is a greater investment in cyber activities. Has it been determined, more importantly, have you shown your interest with the powers that be of being part of that overall endeavor? Guess that goes to you, General Grass. This is what we call a softball.

General GRASS. Chairman, first let me tell you, we have spent a lot of time with General Alexander before he retired. We do an exercise with him every year. We are going to do one this year down at Quantico, Virginia, where we bring in Guardsmen and women from across the state with cyber skills. We have worked with the Army and the Air, and these gentlemen can give you more detail on what specific units. But we are looking and we are postured and ready to buy into structure as the Army and Air National Guard have it offered to them by the Army and Air Force. We just stood up our first computer protection team, or cyber protection team. It is a 39-person team. We brought it on full-time. They are going through their train-up and certification. We brought

those Guardsmen and women from across the country. Tried to draw them from different states.

They will eventually go to Ft. Gordon, Georgia. The intent would be as they get up to speed, we would actually eventually send them back to their states. We are hoping to draw an opportunity to fill future cyber protection teams and possibly put one per FEMA region in the future. We are working very closely with R cyber and F cyber.

Mr. FRELINGHUYSEN. Well, don't hide your treasure under a basket. I think you have got a lot of amazing men and women in all of your Guard and Reserve that can bring their brains and education to the cyber issue, so I think you ought to promote yourselves more.

I have, not a parochial issue, but I am interested in the air wing at Atlantic City. They do some incredible stuff. There is concern about the F-16 fleet. They cover a pretty broad territory, so it is more than just a Garden State. They go up and down the coast.

Where are we going, General Clarke, what is your priority in your budget quest, and how do we keep the fleet in that location and others around the country modern and relevant?

General CLARKE. Thank you, sir.

The airmen at the 177th Wing, New Jersey, perform two missions. One is a homeland defense mission, 24 hours a day. They are on call to pick up any tasking that North American Aerospace Defense Command (NORAD) would give them. But additionally they trained to the air expeditionary force as well. So one day they could be tasked with a mission to support the homeland, and the next day they could be out the door going to support an overseas contingency.

And they have done this multiple times, and they do it very well mostly because they do it with experienced airmen. For the airplanes themselves, the basic airplane, the Block 30 F-16s that they are flying are in pretty good shape. We think that because of the earlier Falcon STAR program and then the equivalent Flying Hour program, how they are flown has extended the life on these airplanes out for a good number of years. So the basic airplane is good.

Unfortunately the budget difficulties, some of the capabilities upgrades will be not forthcoming; but again with NGREA and things like that, we are able to meet the combatant commander requirements with the airplane once it does deploy overseas. So I would tell you that one day we would like to see new airplanes here, but in the meantime we are going to do the best we can with great Airmen first of all, and then airplanes that we have already put some significant funds into to make sure they are good out through another 10, 15 years.

Mr. FRELINGHUYSEN. Thank you.

Mr. Womack.

MEDICAL READINESS

Mr. WOMACK. Thank you, Mr. Chairman.

I want to go back to, you know, we have talked a lot about equipment, and that is all well and good, but we are still a very people-intensive organization as all of our services are. So I have just got

a random list of some topics that I would like some kind of brief answers on.

You know, when I was serving, one of my biggest complaints was the fact that I was always stuck with, for lack of a better term, people that were non deployable. They were protected by certain things, systemic things in the organization, and it was the common complaint of my soldiers, is that they didn't seem to have or were concerned about what I call upward mobility through the ranks because a lot of people senior to them just never seemed to kind of go away, and a lot of people that have served a long, long time and this is no reflection on General Grass, who has already been mentioned as having served a long, long time. It is not that upward mobility that I am talking about.

So, if we are going to see a reduction in end strength, which it appears that we are, it would seem to me that the pressure on the service to be able to create upward mobility is going to continue to be if not a bigger—a challenge but a bigger challenge, going forward. So when I look at things like medical fitness, whether somebody is deployable or non-deployable, MOSQ, NOVAL, those kinds of issues that scan the surface of our personnel management system, what are you doing, General Grass, and General Lyons, and I am sure it is something that is important to the Army Reserve, too, what are you doing, what is your vision for how we continue to create the opportunity for the young people joining our force to be able to achieve greater rank, and positions of responsibility against a lower end strength?

General GRASS. Congressman, first of all, great, great support from this committee on medical readiness dollars and our ability to run every year all of our men and women, both Air and Army, through a soldier readiness process has paid us huge events.

The Army and Air Guard today are running in the low 80s, I think up to 85 percent.

General LYONS. Yes, sir, about 83.1 percent. We are the highest of all three components today.

General GRASS. Medical readiness, which was unheard of as you know, before the war. We didn't have the resources. And the dental readiness, back then a lot of folks didn't have dental, and we had to wait until they mobilized and then we had to get them fixed to go and that delayed time.

So what we are concerned about now though as the dollars shrink, the medical and dental readiness are going to be the first two we have got to watch close.

So if someone can't make that and can't meet that and the resources are available, but they are going to have so slowly shift to taking it out of their pocket and go to TRICARE Select for Reserve, we are going to have to hold the line there because we are going to have somebody like you said standing right there ready to step in their place if they can't meet the medical readiness.

COMBAT TRAINING

Mr. WOMACK. Combat training center rotations, it was mentioned earlier. It is a capstone mission for or capstone event for the Reserve components. I am deeply concerned, both from the AC and the RC side, that we are not going to be able to get our soldiers

through these capstone events that are basically the crowning achievement to assess their readiness to deploy down range.

General LYONS. Congressman, I absolutely agree with you. Our posture, the net effect as I said earlier, will be at individual crew and squad level proficiency.

Combat training center rotations allow us to either come out of the combat training center rotation at platoon or company level proficiency which is where we need to be, so that takes funding both in Pay and Allowance (P&A) and in O&M. We can schedule the rotations which we have two scheduled for fiscal year 2015 currently, but again, not the dollars to resource those rotations so without that we are going to continue to maintain a force at individual crew and squad level training.

MILITARY OCCUPATIONAL SPECIALTY

Mr. WOMACK. Are we having any problem finding school slots for those that are trying to become qualified in their military occupational specialty?

General LYONS. I think I would answer it this way, Congressman. We will take risk in our MOS qualification opportunities and our special training opportunities, both of which come out of O&M accounts and some P&A, so we will seize every single opportunity we have, every single seat, to an MOS qualified soldier. My fear is we may not have the money to occupy that seat.

Mr. WOMACK. General Talley.

General TALLEY. Sir, on the seat requests, we are not able to get enough seats to meet the requirements that we have. That is not the real issue, the real issue is how do you fund, it gets to General Lyon's point, how do you fund the per diem, the travel, the salary, to get them to go to that event, particularly as you have a decrease in training funds. A challenge that I highlight frequently both within forces command, the Army and also to the Congress is—

Mr. FRELINGHUYSEN. Could we just hold the testimony for a moment.

There is a moment of silence up on the floor, and if we would take a moment to recognize the loss of life.

Thank you.

Mr. Womack and then Mr. Aderholt.

Mr. WOMACK. And I know exactly where General Talley was going with his comments, so let me just say this and then I will finish. I sense a perfect storm happening for our Reserve components. We are seeing the effects of not having the funds, perhaps not having the funds to ensure medical readiness, to get the appropriate people in the right slots, to get them through the combat center rotations. We are seeing issues with regard to the platforms on which they would train and become proficient and serve as an operational force down range, and we already know that we are not doing some of the missions that heretofore we were doing that were ideally suited, MFO as Sinai as an example.

And so I just caution our country about putting our Reserve components in a position where they are going to almost by force to be not ready to do what this country is going to ask of them at some point down the road, and I will get off my soap box on it, but it

is a great concern of mine. We are going to continue to talk about it.

Thank you, Mr. Chairman. I yield back.

Mr. FRELINGHUYSEN. We share your concern, Mr. Womack.

Mr. VISCLOSKY.

Mr. VISCLOSKY. Thank you, Mr. Chairman. Just a couple quick points.

One, I truly support the Guards' counter drug program. I think it is very worthwhile and we certainly have seen very positive results in my congressional district. For General Grass and Lyons, just so that my impression is either correct or incorrect, it is my understanding and we have had a discussion about Humvees. So, will remain a part of the fleet, if you would, until about 2030. Is my impression correct.

General LYONS. I believe that is accurate, sir.

Mr. VISCLOSKY. Okay, and finally, Mr. Chairman, I would point out while General Clarke has been in your position for 2 weeks, as I understand it?

General CLARKE. One week.

Mr. VISCLOSKY. You did a heck of a job, but I also understand that General Lyons, during his long career, has been able, up until today, to avoid having to testify before a congressional committee. I think you did a superlative job. You keep at this, you are going to get good.

Mr. FRELINGHUYSEN. He is doing pretty well now.

Mr. VISCLOSKY. He is doing terrific.

Gentlemen, thank you.

Thank you, Mr. Chairman.

Mr. FRELINGHUYSEN. On all of our behalf and to the men and women you represent, the best of America, wherever they may be, God bless you and thank you.

And the meeting stands adjourned.

[CLERK'S NOTE.—Two questions submitted by Mr. Cole and the answers thereto follows:]

TRAINING AND SIMULATION-LEASE V. BUY

Question. What is the effect of sequestration on the Army National Guards ability to maintain optimum levels of readiness?

Answer. Assuming Budget Control Act (BCA) funding levels return in fiscal year 2016 and beyond, there will be significant impacts on Army Guard readiness with far-reaching implications for overseas missions and no-notice emergencies here at home. Our readiness to conduct wartime missions enables the ARNG to execute domestic operations with skill and efficiency. The ARNG will always respond domestically, but due to lower levels of readiness in equipment, personnel and training, and a greater dispersion of the force across 2,600 communities across the nation, the response may be slowed.

In the near term especially the Chief of Staff of the Army has previously stated that readiness levels will drop to "unacceptable risk" under the BCA. BCA-level funding will require significant additional cuts to force structure and end strength. The ARNG has been instructed to plan to cut its force structure to 315,000. These funding restrictions will impose reductions to facilities and full-time manning across the nation. The Guard will also have to rebalance forces among the states to maintain essential capabilities for governors' domestic missions, a requirement which will produce further turbulence beyond just the troops whose units are eliminated.

Future impacts of BCA can be foreseen from the impacts we saw during fiscal year 2013. When BCA-mandated funding levels return in FY 16, the Army will again suspend Guard training and other operational employments, leading to a loss of leader development opportunities. Military Technicians may again be furloughed. OPTEMPO funding will drop; CTC rotations will likely be cancelled. We can also

expect an impact on equipping, as any reduction in procurement by the Army will be felt in the ARNG as well. BCA may also impact Depot-level overhaul of equipment, limiting the availability of thousands of items of equipment and creating a maintenance backlog which will take time and money to address in the future.

Question. Though nothing substitutes for live training, can simulators assist maintaining readiness levels? How do they reduce the costs of live-fire training?

Answer. The Army National Guard (ARNG) continues to develop its ability to integrate live, virtual, constructive and gaming training aids, devices, simulations and simulators (TADSS) programs with the ARNG Training Strategy. Simulators assist the ARNG in meeting established aim points of our training strategy. TADSS play an essential role in collective training exercises on our installations. They support our role as an operational reserve and in meeting our goal of providing units at the appropriate level of readiness in their available year. Just as critical, TADSS also support our individual Soldier training at home station, local training areas, and institutions. The ARNG synchronizes the use of TADSS with Army Force Generation (ARFORGEN) to improve unit training proficiency and ensure combatant commanders receive trained units and proficient battle staffs in the time available.

As an example, the ARNG achieves the training requirements of M1A1 Abrams and M2A2 Bradley equipped Brigade Combat Teams (BCT's) by using the Conduct of Fire Trainer-Situation Awareness (COFT-SA) and the Mobile-Conduct of Fire Trainer Situation Awareness (M-COFT-SA). The ARNG's geographical dispersion of units led to the development of the M-COFT-SA trainer as a mobile solution to meet training requirements.

The savings in utilizing these simulations is significant. The estimated cost to operate an actual tank is \$75 per mile. The estimated cost to operate a Tank Driver Trainer simulator is \$2.50 per mile. According to the National Training and Simulations Association study the Army saved \$2.5M training 2,200 Armor Soldiers. That is a savings of \$1,136 per Soldier which equates to about 15 hours of training per tanker. Further, in tank gunnery, the introduction of the Conduct of Fire Trainer reduced the annual expenditure of ammunition from 134 to 100 rounds per tank while improving marksmanship. This resulted in an annual cost avoidance of approximately \$29M. A range of other studies show that simulators are cost-effective for training and are a good investment. The cost of their procurement can be amortized in periods of one to four years.

Question. What kinds of simulation training does the Guard have? What additional type of training could help maintain and sustain readiness?

Answer. The Army National Guard (ARNG) uses virtual, constructive and gaming simulations to train everything from the individual Soldier tasks (such as weapons proficiency training, including day and night fire) to collective unit tasks (such as command post exercises or convoy trainers). The ARNG has a variety of simulations training that we use to enhance unit readiness. An increased fielding of Training Devices, Simulations and Simulators (TADSS) at home-station or company level will increase proficiency and sustain unit readiness by reducing travel time and increasing training time.

Question: The Army has several simulation programs of record, including CCTT. Since this system entered the inventory, the Army has spent nearly \$2.3B fielding it. How many of these simulators does the National Guard have in its inventory?

Answer: The Army National Guard (ARNG) variant of the Close Combat Tactical Trainer (CCTT) is the Mobile CCTT. The ARNG has 12 M-CCTT sets consisting of six Bradley Fighting Vehicles and six Abrams tank configurations. One of the key challenges of funding the program is concurrency, which is the ability to upgrade simulators to match the specific capabilities of ARNG equipment. Funding is currently insufficient to maintain 100 percent concurrency across the ARNG and therefore program managers are required to prioritize sites for resourcing.

Question. Knowing that Guard forces have a unique environment—high geographic dispersion and a fraction of the annual training days—Is it more cost-effective for you to buy Army POR or COTS systems? How does the training experience compare?

Answer. The Army Program of Record (POR) offers a cost-effective solution through the use of the Joint Capabilities Integration and Development System (JCID) process. Since the entire lifecycle is integrated into the POR it can require a longer fielding time from initial development. The Commercial Off-The-Shelf (COTS) system provides a rapid-fielding capability. However, a COTS may require higher costs to sustain, elevates the risk of lack of interoperability with existing systems, and may increase total lifecycle management costs. Both procurement options offer the same training experience if the training requirement is identical, but COTS is usually reserved for a short term strategy to bridge to a program of record.

[CLERK'S NOTE.—End of questions submitted by Mr. Cole. Questions submitted by Mr. Aderholt and the answers thereto follows:]

OPERATIONAL REQUIREMENTS

Question. We are fortunate in the US to have a military structure that allows us to maintain an active duty force along with a National Guard provided by the states and territories. One aspect of the National Guard structure is that we are able to have operational capabilities without the burden of active duty pay and benefits during a time of constrained budgets. There seems to be a point where we could negatively take advantage of the Guard by placing too many operational requirements on the Guard without providing the proper compensation.

How do we strike the right balance between the military capabilities needed to achieve an active, ready status while also properly utilizing the Guard?

Answer. In my conversations with Soldiers, Airmen and senior leaders across the National Guard, I have consistently been told that they are eager to continue to be employed in service to their country and to their states. More than 80% of the Army National Guardsmen in the force today have joined since 9/11. They joined with the expectation of active employment, and as the conflicts in Iraq and Afghanistan conclude, they continue to expect that they will receive opportunities to deploy, conduct exercises with our allies and our sister services, build partnerships with foreign nations, and challenge themselves and their units at the Army's premier combat training centers. Recruiting and retention in the force have been excellent, and we have no indication that our Soldiers feel that they are being taken advantage of by having operational requirements placed upon the Guard. Rather, they seek to continue to be employed.

A proper balance of active and reserve capabilities will ensure that the Army National Guard remains operational through sustained manning, equipping and training, and is provided adequate resources to achieve the required training levels. This balance also provides operational and training opportunities for leader development, such as for the peacekeeping missions in the Sinai and Kosovo, to the Horn of Africa or as part of the air defenses of our national capital, to joint and multinational exercises or as rotations to Combat Training Centers.

For our contingency missions, the Air Force strikes the appropriate balance between active, ready military capabilities and the proper utilization of the Air National Guard through our already in place 1:5 rotational structure and unit mobilization procedures. As a service, we are moving more towards unit mobilization as this ensures the proper compensation takes place. Involuntary mobilization also triggers our deploy-to-dwell tracking program, ensuring units and individuals do not arbitrarily exceed the 1:5 rotational construct we have put in place. The 187 FW in Montgomery, AL provides a great example of utilizing the involuntary mobilization construct in order to provide the proper compensation to the Air National Guard when filling critical Air Force operational requirements.

As we continue to explore the idea of placing more operational capability in the Reserve Component, we should explore the barriers which limit the daily use of Air National Guard personnel and equipment. These barriers currently force the Air Force to operate within a paradigm that requires the use of full-time active duty manpower to cover missions and capabilities that could be accomplished more efficiently with a proper mix of full and part-time Airmen from the Air National Guard.

The ANG state mobilization construct also creates efficiencies with our dual-use personnel and equipment making them available to Governors and other Civil Authorities when not already tasked to federal missions.

Moving force structure and manpower from the active component to the reserve component provides an opportunity to meet demand with more capacity due to the cost effective nature of the reserve component. Combat forces within the Air National Guard are as ready and capable as its active duty counterparts, but at a fraction of the cost. As an example, a recent OSD CAPE report to Congress identified that an active component F16 unit costs \$81.9M per year as compared to an ANG F16 unit at \$56M per year.

CIVIL AIR PATROL

Question. The President's FY15 budget request for the Civil Air Patrol is well below the levels enacted in the FY14 omnibus. How do the potential large cuts in the aircraft procurement account affect CAP's future ability to perform key functions, such as disaster relief or counterdrug and homeland security missions?

Answer. The differences between the fiscal year 2014 omnibus and the fiscal year 2015 President's Budget request are the result of a congressional mark for Civil Air

Patrol (CAP) in fiscal year 2014. The Air Force's portion of the fiscal year 2015 President's Budget request was the baseline extension from fiscal year 2014 with no reduction in the programmed request. The fiscal year 2014 markup enabled CAP to purchase additional aircraft, supplementing their procurement for that year, and placing newer aircraft in the fleet. The Air Force position is that in this fiscally constrained environment, the fiscal year 2015 President's Budget request sufficiently supports CAP's future ability to perform key functions, including disaster relief, counterdrug, and homeland security missions.

The fiscal year 2014 National Defense Authorization Act requires the Secretary of the Air Force, in coordination with CAP, to produce a report on the optimum size, scope, and utilization of the CAP aircraft fleet. Our agencies are currently engaged, in concert with our stakeholders, on defining these requirements, which will further inform our interagency strategy for future use of the CAP. The Air Force understands and appreciates the value of our volunteer auxiliary, and we will continue to work as partners in meeting the requirements of federal, state and local officials for disaster relief, counterdrug, and homeland security support.

Question. The Civil Air Patrol provides aircraft with high-tech sensors, which greatly reduce the per flight hour costs. To what degree do these savings, combined with utilizing CAP volunteers and other assets, result in significant savings to the government? Are there any disadvantages to utilizing these assets even more as compared to government aircraft?

Answer. We know that utilizing the Civil Air Patrol (CAP) in its official Air Force Auxiliary capacity is fiscally responsible at a cost of approximately \$200 per flying hour. Civil Air Patrol's status as a volunteer organization provides additional manpower savings to the government. The Air Force is currently drafting a report required by the fiscal year 2014 National Defense Authorization Act to evaluate the degree of potential savings that could be realized with an optimum size, scope, and utilization of the CAP aircraft fleet. As the official Air Force Auxiliary, we believe there is no disadvantage to utilizing CAP's personnel and equipment for appropriate missions (e.g., disaster relief, search and rescue, etc.), to support civil authorities when CAP's capabilities are an appropriate substitute for military assets.

[CLERK'S NOTE.—End of questions submitted by Mr. Aderholt. Questions submitted by Mr. Carter and the answers thereto follow:]

TACPOD

Question. Discussion: In fiscal year 2011, Congress reprogrammed approximately \$168MM to fund the Beyond Line of Sight Command and Control (BLOS C2) initiative for a DoD mission that was a Quick Reaction Capability (QRC) and Joint Emerging Operational Need (JEON). A portion of that BLOS C2 effort was TACPOD. TACPOD is an agile communications bridge in the sky designed to fly on MQ-9 Reapers and is designed to meet the need to optimize the real-time distribution of Full Motion Video (FMV) with a specific war-fighter requirement in mind. TACPOD meets that warfighter need by bridging video beyond line of sight from operators on the ground to decision makers hundreds of miles away and back again. TACPOD successfully completed full testing to a TRL Level 8 in July 2013, and was due to deploy to theater, but a lack of MQ-9 assets has prevented TACPOD from deploying despite in-theater requests for the capabilities. The U.S. Air Force funded and tested TACPOD, but with no assets available to fly the pods, the TACPODs are in storage at Hanscom AFB in Massachusetts. Both the 147th Reconnaissance Wing in Houston, TX and the 174th Attack Wing in Syracuse, NY are flying, or soon will fly, MQ-9 Reaper UAVs. Integrating TACPOD on to their MQ-9s will allow them to meet their demanding BLOS C2 requirements.

Given that TACPOD meets both the need for BLOS C2 and extended range requirements both in overseas and domestic oper-

ations; how do you plan to implement TACPOD in your MQ-9 operations?

Answer. Air National Guard (ANG) MQ-9 Reapers have a robust BLOS C2 capability in their current configuration.

If the Air Force develops a Concept of Operations (CONOPs) for employment, the ANG will work to operationalize this capability. Until such time, the ANG has no plans to implement TACPOD in our MQ-9 operations.

Question. Do you plan on including TACPODS on your NGREA list and putting them to use in FY15?

Answer. The Air National Guard (ANG) spends National Guard and Reserve Account (NGREA) funds on validated Air Force and Combatant Commander requirements vetted through a forum of Reserve Component and Active Duty warfighters at our annual Weapons and Tactics conference. If our MQ-9 warfighters determine the TACPOD is critical to mission accomplishment in the upcoming 2014 WEPTAC in October, and it meets validated requirements, then TACPOD would be considered for FY15 NGREA if Congress appropriates NGREA.

[CLERK'S NOTE.—End of questions submitted by Mr. Carter. Question submitted by Mr. Frelinghuysen and the answers thereto follow:]

AUTHORITY OF THE CHIEF

Question. The Chief of the National Guard Bureau is nominated for appointment by the President, this officer has met the requirements as determined by defense secretary and the chairman of the Joint Chiefs of Staff, under the advice and/or recommendation from their respective state governors and their service secretary. The nominee is confirmed by a majority vote of the Senate, and is appointed a member of the Joint Chiefs of Staff.

Currently, the Chief of Staff of the Army recommends the nominee to be the Director of the Army National Guard. The Chief of Staff of the Air Force recommends the nominee to be the Director of the Air Guard. General Grass, if you and the Chiefs of Staff of the Army and the Air Force hold equal positions on the Joint Chiefs, then why do you not make the nominee recommendation for the Director positions? Are there other inequities that you, as a new member of the Joint Chiefs do not equally share?

Answer. Under current law, the Secretaries of the Army and Air Force select the Directors and Deputy Directors of the Army and Air National Guard respectively.

The National Guard Bureau has been working closely with the Department of Defense to ensure the position of the Chief of the National Guard Bureau is afforded equal treatment in all aspects with members of the Joint Chiefs of Staff.

U.S. NORTHERN COMMAND

Question. United States Northern Command (USNORTHCOM) is a Unified Combatant Command of the U.S. military tasked with providing military support for civil authorities in the U.S., and protecting the territory and national interests of the United States within the contiguous United States, Alaska, Canada, Mexico. USNORTHCOM was created following the September 11 attacks. In case of national emergency, natural or man-made, NORTHCOM's Emergency Preparedness Directorate will take charge of the situation or event.

General Grass, given your previous position as the Deputy Commander of U.S. Northern Command, you are uniquely qualified to address this commands role. Aren't the functions previously mentioned tasks that the Guard does on a daily basis?

Answer. NORAD and USNORTHCOM have two primary missions—Homeland Defense and Defense Support of Civil Authorities. Homeland Defense missions such as Air Combat Alert, and Missile Defense are best planned and executed by NORAD and USNORTHCOM under presidential control. To my knowledge there is no Emergency Preparedness Directorate at USNORTHCOM.

The National Guard is primarily a part-time workforce under Governor control. Long-standing relationships with civic leaders throughout 3,000 communities nationwide enable the National Guard to quickly respond to domestic emergencies in support of civil authorities. The vast majority of the National Guard's domestic response is done in state status and that makes the National Guard the military first responder for the nation—which is a little different than NORTHCOM's focus.

Question. Whether the functions are identical to the Guard's homeland mission or not, would it not be beneficial for a Guard general officer to be nominated for the Commander position at USNORTHCOM?

Answer. The USNORTHCOM Commander should be the best qualified individual general officer based on experience, leadership and judgment. 10 U.S.C. 164(e)(4) requires "at least one deputy commander of the combatant command the geographic area of responsibility of which includes the United States shall be a qualified officer of the National Guard who is eligible for promotion to the grade of O-9, unless a National Guard officer is serving as commander of that combatant command." This provision ensures that, at a minimum, the Deputy Commander of USNORTHCOM will have extensive experience serving in the National Guard, providing the possibility of a National Guard general officer to serve as the Combatant Commander.

An Army or Air National Guard nominee for the command of USNORTHCOM would possess a deep understanding of the interaction of federal, state, local and non-governmental agencies during a range of emergency responses, an understanding forged over a career of working under both federal and state command. Most senior Guard officers are veterans of multiple state call ups, and those who have served as adjutants general have served as cabinet-level officials in their states, many responsible for managing emergency services. These experiences would give a Guard general officer serving as the USNORTHCOM commander valuable understanding and credibility when dealing with the Governors with whom he or she must regularly work.

The bulk of forces which USNORTHCOM works with on a daily basis, as well as those forces designated for USNORTHCOM alignment in major contingencies, are drawn from the Army and Air National Guard. Together the Army and Air Guard make up more than 50% of the reserve structure in the Department of Defense. While exceptionally capable officers, none of the commanders assigned to USNORTHCOM since its inception in 2002 have spent a significant portion of their career working with National Guard forces or responded to a domestic emergency as part of a state force.

Finally, assignment of a National Guard officer to this position would be a further indication of the Department of Defense's commitment to the Total Force policy, demonstrating that even the most senior levels of command are open to officers regardless of component.

COMMISSION ON THE STRUCTURE OF THE ARMY

Question. Mr. Wilson of South Carolina, Mr. Cole (of this Subcommittee) and others introduced a bill which was referred to the Committee on Armed Services to establish a commission on the Structure of the Army. This bill limits funding available to the Army in fiscal year 2015 that would be used to divest, retire, or transfer any aircraft or personnel (at levels below 350,000) assigned to the Army National Guard. The Commission, appointed by the President, and the Committees on Armed Services "shall undertake a comprehensive study of the structure of the Army to determine the proper force mixture of the active component and reserve component, and how the structure should be modified to best fulfill current and anticipated mission requirements for the Army in a manner consistent with available resources and estimated future resources." The Commission is to submit its report by February 2016.

General Grass, what is your opinion on the results of the previously commissioned Structure of the Air Force Commission and do you believe that this was a worthwhile endeavor?

Answer. The Commission on the Structure of the Air Force has been an unqualified success in providing an external evaluation and perspective on the mix of active and reserve forces in the US Air Force. It has provided a valuable roadmap forward for how the Air Force should approach future force structure decisions.

We believe there is a great deal of symmetry between many of the recommendations from the Commission on the Structure of the Air Force and what our Air Force proposes for its way ahead. We are currently working with the Air Force and the Air Force Reserve through the Total Force Continuum Office to look at implementation strategies for the NCSAF's recommendations. The efforts of the National Commission on the Structure of the Air Force were tremendous and provide a solid found-

dation for helping the Total Air Force grow together and become more efficient and effective in the future.

Question. The Committee understands that funding constraints will mean that the Army will have to make significant changes to the end strength and force structure across all three of its components. As we've seen in the press, and have been briefed, there are varied opinions about what those changes should ultimately entail. Most likely you are taking all of this feedback into account as you ponder the various options before you. However, I would specifically like to know what you are hearing from the nation's governors, who serve as the commanders-in-chief of the National Guards of their states and territories on a day-to-day basis. What are Governors telling you, and how is their input effecting the decisions you are making about the future of the Army and the Army Guard?

Answer. The concerns of the nation's governors, as they have been related to me personally and through the adjutants general, are consistent with those expressed in the February 28, 2014, letter from the National Governors Association to President Obama. The governors recognize the need to reduce spending to meet budget obligations. Governors are concerned, however, by the current proposed cuts to Army Guard personnel and air combat capability. The governors have stated that they want to see the operational capability of the Army National Guard preserved, and expressed a desire to maintain the Army National Guard at its pre-war end strength of 350,000—a level it is programmed to reach at the end of fiscal year 2015. The governors also endorsed the results of the recently concluded National Commission on the Structure of the Air Force and advocated for a similar review of the Army's force structure and active/reserve mix.

Question. Generals, the Air Force has really endorsed much of the findings of the Commission on the Air Force, especially the plan to shift more capabilities and missions into the National Guard. Wouldn't a similar Commission benefit the Army as we begin to restructure the size of the Army?

Answer. If directed, we should not fear a critical examination of our enterprise. Any Commission though should be prepared for a review of the Total Army—not just one single component. We should look for opportunities to review not just force structure and end strength, but other significant issues such as mobilization processes as part of the Army's Total Force Policy. We should be forward looking and incorporate new global security threats as well as emerging vulnerabilities in the homeland. The Budget Control Act (BCA) is still the law and we must anticipate executing our missions within BCA funding levels. Therefore, we should be prepared to answer any questions related to whether these reductions contribute to; the erosion of combat capabilities; the degradation of skill qualification; an increase in strategic risk to our ability to execute Operational Plans; an acceleration in equipment degradation; or, further degradation of an already aging infrastructure.

From an Air Guard perspective, we believe our Air Force is going to rely more, not less, on our National Guard and Reserves. This makes sense from not only a mission standpoint, but from an economic standpoint. We believe there is a great deal of symmetry between many of the recommendations from the Commission on the Structure of the Air Force and what our Air Force proposes for its way ahead.

The Air Force is actively reviewing the 42 recommendations and the Air Force's Total Force Continuum staff is already working to implement 19 of them. Staffing action plans are being developed for the remaining recommendations.

While the issues facing the Army and the Air Force differ to a degree, the Air Force commission demonstrated the value of an outside look at how a military service evaluates its strategy and force structure to balance its components. To be of true value, any proposed commission on the structure of the Army should, like the Air Force commission, be a holistic review of all three components. In addition, it should review the Total Army's ability to execute its requirements under Budget Control Act funding levels.

Question. Generals, the Air Force has really endorsed much of the findings of the Commission on the Air Force, especially the plan to shift more capabilities and missions into the National Guard. Wouldn't a similar Commission benefit the Army as we begin to restructure the size of the Army?

Answer. The Army Reserve believes that a Commission like the one used for the Air Force is unnecessary.

The Army has already carefully weighed force mix decisions, including all three components of the Total Army. The Army has presented a plan which includes input from the Combatant Commanders and the Joint Staff, and has been reviewed by the Secretary of the Army and Secretary of Defense. I have collaborated with Army Staff and our position regarding force mix decisions is consistent. The Army Reserve has been a full partner in the analysis of strategic requirements and the development of budgets that balance the contributions of all components. While the Air

Force required a special commission to identify what is best for that service and its components, a similar commission for the Army is costly, unwarranted and unnecessary. The Army has arrived at conclusions based on careful analysis that provides the best security and value to the nation.

HMMWV MODERNIZATION INITIATIVE

Question. This Committee strongly supports the National Guard and relies on the expertise of our Adjutants General to help understand their needs and challenges in meeting their mission. The Committee has sought to provide units returning from Iraq and Afghanistan with the proper equipment for training and responding to domestic emergencies. One example of this effort is the HMMWV Modernization Initiative funded by the Committee in both fiscal years 2013 and 2014. I want to commend you and the Army for establishing an innovative public-private partnership between industry and Red River Army Depot that will result in state-of-the-art vehicles for Guard units across the country. These like-new HIMIMWVs will produce significant enhancements in vehicle capability at the lowest possible cost, while utilizing the expertise of our partners in the defense industrial base. As this program has taken shape, it is my understanding that the Bureau has identified an even wider array of older HIVIMWVs that require modernization through this process in order to fill near and longer term capability gaps in Guard units.

Generals Grass and Lyons, given that the HIVIMWV will remain an integral part of your vehicle fleet until at least 2030, can you talk about how this program will help achieve greater levels of readiness and mission success both here at home and in future contingencies overseas?

Answer. Once approved, the Public Private Partnership (PPP) for High Mobility Multipurpose Wheeled Vehicles (HMMWV) modernization will take approximately 900 of the Army National Guard's (ARNG) armored HMIMWVs and update them to incorporate the newest modification improvements. The program also replaces HMIMWV chassis, reestablishing them as new vehicles, and extending their life. In effect, it takes a portion of the ARNGs I-IMMWVs and increases capabilities. This has the effect of improving the readiness of this segment of the HMMWV fleet for both domestic and overseas missions.

The ARNG is working closely with the Army to further modernize the fleet and address the most urgent capability gaps.

REVIEW OF RESERVE MOBILIZATION

Question. Gen. Martin E. Dempsey, the chairman of the Joint Chiefs of Staff, has suggested the military review the ability of the reserve component to mobilize quickly when needed. His comments are linked to the possibility that active-component Army forces fall to 420,000 as a cost-saving measure. His comments note that "U.S. military response to aggression most often begins in the air or maritime domains," but usually concludes with a commitment of land forces. "Therefore, our QDR land forces will need to be even better organized, trained and equipped for the full spectrum of 21st century challenges," he wrote. "Moreover, since time is a defining factor in the commitment of land forces, I strongly recommend a comprehensive review of the nation's ability to mobilize its existing reserves as well as its preparedness for the potential of national mobilization." One could interpret Dempsey's comments as saying, "a way must be found to access and train the National Guard and Reserve more quickly than in the past."

Generals, These comments would suggest that the National Guard cannot perform at the same level as the Active Component and won't be able to counter complex threats without a period of preparation prior to deployment. In 2005 the National Guard made up about 43 percent of the forces in Iraq and 55 percent in Afghanistan—and more than 50,000 Guardsmen responded to Hurricane Katrina. Could you please give me your thoughts on those statements.

Answer. More than a decade of conflict in Iraq and Afghanistan has amply demonstrated the National Guard's ability to perform every mission it was given. We are not aware of any metric maintained within the Department of Defense that demonstrates Army National Guard units performed at a lower level than units of the other Army components. In fact, one of the most frequent comments made about our units and Soldiers was that, once in the field, they were indistinguishable from their active component and Army Reserve counterparts. We firmly believe that this is true, and that it demonstrates the profound success of the Total Army concept that the United States Army has worked hard to achieve for decades.

Army National Guard units do require some period of preparation prior to deployment, due to lower readiness expectations which compound their cost effectiveness when not mobilized. The length of pre-deployment preparation varies depending on

pre-mobilization readiness, the type of unit and its mission. Once validated, Guard units deploy at the same level of readiness as their active component counterparts. The Army has significantly reduced post-mobilization training time for its reserve component units as additional investments were made in pre-deployment readiness and post-mobilization training has been streamlined. As a result, the number of post-mobilization training days declined by 60 percent between fiscal years 2006–2012, and all but the largest units assigned the most tactically difficult missions averaged less than 45 days of post-mobilization training prior to deployment. The Army National Guard will be as ready as it is resourced.

Due to the Army and Air Guard's dispersion across more than 3,000 communities, our experience working with local emergency responders and the accessibility of the Guard by the governors for employment as a state asset, the Army National Guard remains the military force of choice for domestic response. Through Emergency Management Assistance Compacts, governors can call on additional assets from neighboring states to respond to complex catastrophes at home. The Army Guard can do this even in the midst of a war because of the depth of domestic response capability and capacity resident in its units. As your question indicates, at no time was this capacity more evident than in September 2005 when some 50,000 Army Guardsmen deployed to Gulf Coast states in the space of a week, even though another 80,000 were deployed overseas.

The Air National Guard is trained, equipped and resourced to the same level of readiness as the Active Component. We are an essential partner in the daily operations of the Total Air Force in all five core missions: air & space superiority; intelligence, surveillance, & reconnaissance; rapid global mobility; global strike, and command & control. Last year, over 39,895 Air National Guard men and women deployed to 48 countries as part of the Total Air Force defense of U.S. national security interests. Additionally, Guard Airmen defended the skies over our homeland and supported their deployed brethren through U.S.-based "reach-back" capabilities including remotely piloted aircraft operations and intelligence analysis.

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Answer. As the Chief of the Army Reserve, I cannot speak for the ARNG but would only say that we are both a critical and vital component of the nation's overall defense strategy.

As for the Army Reserves ability to respond—GEN Dempsey's comments are spot on. The ability of America's Armed forces, Active Guard and Reserve to respond to a domestic or global crisis is crucial to the nation's credibility as a global power. To ensure that the Army Reserve will always be relevant and ready, almost 10 years ago we embarked on a strategy that sought to bring Army Reserve Forces to a higher state of readiness prior to mobilization. This strategy working in coordination with the Army's Force Generation (ARFORGEN) process now enables us bring a significant portion of our force to a higher state of readiness for a one year rotational period thus allowing the Army Reserve to respond globally more rapidly than ever before.

- During the past decade the Army Reserve has reduced post-mobilization training time by 40%. As a result units have been deploying much more rapidly. Fewer days at mobilization stations means less days of mobilization and reduced expenditures for the Nation.

- Army Reserve units now spend, on average, 41 days at mobilization stations conducting post-mobilization training before deployment. While some of our units spend as few as 7 days at mobilization stations performing post-mobilization train-

ing before deployment, others spend up to 62 days at mobilization stations performing post-mobilization training before deployment. Training is tailored based on theater requirements.

The Bottom-Line is—now more than ever we can and do ready and deploy Army Reserve Forces more rapidly than ever before in the history of our force.

Question. Generals could you please explain the federal role of the Reserve Components. Would you say that the Army is trying to change the fundamental structure of the Reserve Components by beginning to bring combat arms out of the reserves and into the active component?

Answer. The federal role for the Reserve Components is articulated in two places in the US Code. Title 10, US Code, Section 10102, states the purpose of Reserve Components is “. . . to provide trained units and qualified persons available for active duty in the armed forces, in time of war or national emergency, and at such other times as the national security may require, to fill the needs of the armed forces whenever more units and persons are needed than are in the regular components.” Congress further defined the purpose of the National Guard in Title 32, US Code, Section 102: General Policy: “In accordance with the traditional military policy of the United States, it is essential that the strength and organization of the Army National Guard and the Air National Guard as an integral part of the first line defenses of the United States be maintained and assured at all times.”

While modern combat has blurred the concept of “front” versus “rear” area troops, the traditional conception of the battlefield Congress evoked viewed the first line defenses as those which are directly engaged in combat. The Army National Guard proudly embraces its long history of combat service from colonial times through the most recent conflicts in Iraq and Afghanistan. Our troops have always been in the first line defenses of this nation, and shall remain SO.

The Army has stated that the rationale behind the Aviation Restructure Initiative is to meet the modernization needs for the Armed Reconnaissance Helicopter. Additional reasons include higher availability of active component forces for short notice missions.

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Answer. Title 10, US Code: the purpose of each reserve component is to provide trained units and qualified persons available for active duty in the armed forces, in time of war or national emergency, and at such other times as the national security may require, to fill the needs of the armed forces whenever, during and after the period needed to procure and train additional units and qualified persons to achieve the planned mobilization, more units and persons are needed than are in the regular components.

The federal role of the Army Reserve is to provide trained, equipped, ready and accessible Soldiers, leaders, and units to the Army in support of Unified Land Operations, Combatant Commands, and the Nation. Further the Army Reserve provides unique capabilities to the Army and the Joint Force not present in the National Guard or Active Component.

I cannot speak to what force structure changes the ARNG and the larger Army are jointly contemplating nor can I say that the Army is trying to change the fundamental structure of the Reserve Components regarding combat arms. We have only a very small contingent of combat arms. We have one light infantry battalion stationed in the Pacific and we are fully cooperating with the Army's plan to convert our 2 Attack Helicopters to Assault Helicopter battalions. We are not divesting our one infantry/combat arms battalion and the Army's Aviation Restructure Initiative is in fact helping complement the Army Reserves core competencies of combat support and combat service support.

I will say we are proud to be a part of the total force and would point out our role in providing a significant portion of the Army's CS and CSS forces.

Support & sustainment capabilities	USAR %	ARNG %	AC %
JAG	94	6	0
Chaplain	80	20	0
Civil Affairs	77	0	23
Military History	75	22	3
Quartermaster	66	16	18
Mil Info Spt Ops	61	0	39
Postal & Personnel	61	0	39

Support & sustainment capabilities	USAR %	ARNG %	AC %
Medical	59	16	25
Information Ops	48	43	9
Chemical	43	35	22
Transportation	43	39	18
Public Affairs	41	45	14
Engineers	30	47	23
Military Intelligence	26	20	54
Military Police	24	45	31

We are also proud to be the nation's most economical force. We Provide 19% of the Army Force for 6% of the Army budget.

The Bottom-Line for the Army Reserve is that we are proud of our role in providing critical and key enablers to the total force and we continue to thrive in our role as the major provider of unique capabilities for the Total Army and Joint Forces.

PROPORTIONATE CUTS VERSUS STRATEGIC CUTS

Question. The Department of Defense is making hard decisions about programs and cuts throughout DOD, however the Committee is concerned that these decisions are often being made based on fairness and proportionality rather than strategy and cost.

Generals, would you address whether the services can retain more capability in the reserve components than in the active component at a lesser cost?

Answer. Numerous studies both internal and external to the Department of Defense have consistently found that reserve component forces provide both military capability and capacity for the nation at a substantial savings. In its December 2013 report to Congress, "Unit Cost and Readiness for the Active and Reserve Components," the Office of the Secretary of Defense established that an Army National Guard Brigade Combat Team costs about 24% of an active component BCT when in dwell (that is, when not mobilized). The same OSD report establishes that, even when mobilized to full-time active duty for a year, a reserve component service member costs 85–90% of his or her active component counterpart, due to differences in benefit availability and utilization as well as retirement compensation. The Reserve Forces Policy Board calculated the fully burdened cost of a reserve component member to be about 31% of an active component member. Further, Combat forces within the Air National Guard are as ready and capable as its active duty counterparts, but at a fraction of the cost. As an example, a recent OSD CAPE report to congress identified that an active component F–16 unit costs \$81.9M per year as compared to an Air National Guard F–16 unit at \$56M per year.

There are differences in capability between reserve component and active component units. The most cited is the amount of time it takes to bring a reserve component unit to full readiness after mobilization, due to lower readiness expectations which compound their cost effectiveness when not mobilized. The length of pre-deployment preparation varies depending on pre-mobilization readiness, the type of unit and its mission. Once validated, Guard units deploy at the same level of readiness as their active component counterparts. The Army has significantly reduced post-mobilization training time for its reserve component units as additional investments were made in pre-deployment readiness and post-mobilization training has been streamlined. As a result, the number of post-mobilization training days declined by 60 percent between fiscal years 2006–2012, and all but the largest units assigned the most tactically difficult missions averaged less than 45 days of post-mobilization training prior to deployment.

Question. Generals, would you address whether the services can retain more capability in the reserve components than in the active component at a lesser cost?

Answer. The Army Reserve provides a tremendous value to the nation. The recent "Active and Reserve Component Units of the Armed Forces Report to Congress" highlights specific cost analysis demonstrating the value of the Reserve Component to the nation. The Army Reserve provides 20 percent of the Army's force structure for only 5.8 percent of the Army budget. In fact most of the Total Army's support and sustainment capabilities, such as our legal support, chaplains, civil affairs, logistics, public affairs, and medical expertise are in the Army Reserve. We are embedded in every Army Service Component Command and Combatant Command. The Army's proposal adequately balances the importance of costs, readiness, responsive-

ness, and requirements while providing the most effective and efficient force for the budget allocated.

The “Active and Reserve Component Units of the Armed Forces Report to Congress” demonstrates the efficiency and cost effectiveness of the Army Reserve as an enabling force. Army Reserve personnel costs are minimal when the force is not mobilized. The efficient use of the Army Reserve yields significant cost savings to the nation while mitigating strategic risk.

Question. Is this capability as reliable as that provided by active forces—or is there a mix?

Answer. Absolutely. In the past dozen years of conflict, the Army National Guard (ARNG) has never failed at a mission. These missions include the most complex tasks performed by the Army’s largest combat formations, with the sole exception of the initial invasion of Iraq, which was conducted by six active Army maneuver brigades. Since 2003, the ARNG has deployed Brigade Combat Teams to Iraq or Afghanistan 47 times for missions that spanned the full spectrum of operations, from host nation training, advising and assisting through security force missions to counter-insurgency operations. ARNG Apache attack-reconnaissance battalions deployed 12 times to Iraq or Afghanistan, performing the same demanding missions their active component counterparts performed.

Once pre-deployment training is completed, Army National Guard units are validated using the same metrics applied to active component units. Numerous senior leaders have told our Guardsmen that their performance in the field cannot be distinguished from that of their active component counterparts.

History struggles to show any time where capability was required from the Reserve Component and it was not provided in time to meet the demand. The readiness of the Air National Guard is unique in the fact that the Air National Guard trains to the same state of readiness as the Active Component, is inspected to the same standards, and has a proven track record of performance on equal with our Active Components counterparts.

In fact, recent history illustrates where the Reserve Component responded because the Active Component could not. Operation Odyssey Dawn beginning in March of 2011 demonstrated the speed and agility by which the Air National Guard answered the Nation’s call to help protect Libyan civilians from their government regime’s violence. Within 48 hours of a phone call from then AMC Commander, Gen Ray Johns, Brig Gen Roy Uptegraff was in-country leading ANG tanker efforts for the 406th AEW’s mission. The ARC is every bit as reliable and capable as active forces.

Question. Is this capability as reliable as that provided by active forces—or is there a mix?

Answer. The Army Reserve provides complementary capabilities to the Active Component, including the majority of combat support and sustainment units. Annually, we can provide a sustained rate of 27k trained and ready Soldiers. When used in an operational capacity, we are as capable as the other components.

Over the last ten years the Army Reserve has evolved in its training and readiness preparation. We are now a fully integrated, operational force that supports the Total Army. Our units are integrated into many Combatant Command contingency plans and the Army Reserve participates in training exercises around the world. Citizen-Soldiers proudly stand ready to respond with the same professionalism and readiness we have learned to expect of our Total Army, regardless of component.

Question. As we look at the threats faced today and may face in the future, a strong and vibrant force with more capability and capacity to surge makes sense. Can that be done with a large Reserve Component? Can you explain the rationale of active and reserve forces balance offered in this budget request considering our challenges?

Answer. An appropriately sized larger Reserve Component can provide a stronger and more vibrant force with greater capability and capacity to surge in today’s fiscally-constrained environment than a more robust Active Component force. Throughout the past 13 years of combat, the National Guard has demonstrated that can provide the capability needed to support our military requirements and is ideally suited to rapidly provide the Services with additional capacity when needed. For example, in Iraq, Army National Guard brigades took on a heavy share of the combat in 2005 while the active Army was in the process of transforming its brigades to the new modular Brigade Combat Team structure following the first year of war. During the Spring of 2005, the Army National Guard provided 8 of 15 combat brigades in Iraq. The immense capacity resident in the Army National Guard—which contains 39 percent of the Army’s deployable units—is a vital national asset, a hedge against an uncertain future where active component forces alone are unlikely to prove sufficient to conduct a sustained land war. The Air Force, the Air National

Guard, and the Air Force Reserve are working closely through the Total Force Continuum to understand and implement the necessary changes that are required to provide the appropriate balance. The challenge we face today, is getting us to the right balance of active and reserve component force structure without creating undue risk to the Total Air Force or our great Nation as a whole.

Question. As we look at the threats faced today and may face in the future, a strong and vibrant force with more capability and capacity to surge makes sense. Can that be done with a large Reserve Component? Can you explain the rationale of active and reserve forces balance offered in this budget request considering our challenges?

Answer. The current budget request sustains the training and readiness of Army Reserve structure, providing the Total Army with the unique enabling capacity to meet the defense needs of the nation. Throughout Operations Iraqi Freedom and Enduring Freedom the Army Reserve has demonstrated its ability to meet to the Army's surge requirements. Additionally, the Army Reserve is closely integrated in the Total Army Training Validation (TATV) process. Whenever and wherever it's needed, the Army Reserve can be relied upon to perform its assigned missions effectively and professionally.

[CLERK'S NOTE.—End of questions submitted by Mr. Frelinghuysen.]

FRIDAY, APRIL 4, 2014.

TESTIMONY OF MEMBERS OF CONGRESS

WITNESSES

HON. ANN WAGNER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MISSOURI

HON. PAUL COOK, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

HON. MARTHA ROBY, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ALABAMA

HON. DENNY HECK, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF WASHINGTON

HON. BRADLEY BYRNE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ALABAMA

HON. STEVEN PALAZZO, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MISSISSIPPI

HON. REID RIBBLE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF WISCONSIN

HON. DAVID JOLLY, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF FLORIDA

HON. SAM FARR, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

HON. DEVIN NUNES, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

HON. RON BARBER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ARIZONA

HON. RICHARD HUDSON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NORTH CAROLINA

HON. RON DESANTIS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF FLORIDA

HON. COLLEEN HANABUSA, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF HAWAII

OPENING STATEMENT OF CHAIRMAN FRELINGHUYSEN

Mr. FRELINGHUYSEN. Good morning. The committee will come to order.

This morning, the committee holds an open hearing during which Members of the House of Representatives are invited to bring their concerns and issues regarding the future posture and force structure for the Department of Defense directly to our attention.

My ranking member and I are here today to take testimony from our colleagues in an effort to provide maximum Member participation as we work to draft the Department of Defense appropriations bill for fiscal year 2015.

At this time, I would like to yield to the ranking member for any statement or comments he may wish to make.

OPENING STATEMENT OF MR. VISCLOSKY

Mr. VISCLOSKY. I do. Thank you very much, Mr. Chairman.

One, I very, very much appreciate that you are holding a hearing to hear the views of our colleagues. I appreciate that very much. I also appreciate the fact that our colleagues have taken the time and the trouble to appear today.

The Appropriations Committee is charged with a very important responsibility, and that is to make decisions over about \$1 trillion worth of funding to operate, as effectively and as efficiently, the greatest government on the planet Earth.

Your testimony today will be very helpful to the members of this subcommittee, as far as the appropriations of money for the Department of Defense, to make those decisions as wisely as possible. So I really appreciate the input of the Members.

And I deeply thank the chairman for taking the time to invite our colleagues, to hear their views, as far as the budget within our purview.

Thank you very much, Mr. Chairman.

Mr. FRELINGHUYSEN. Well, thank you.

Mr. FRELINGHUYSEN. Our first colleague, Ms. Wagner, from Missouri, thank you for being with us, starting us off this morning. The floor is yours.

SUMMARY STATEMENT OF CONGRESSWOMAN WAGNER

Mrs. WAGNER. Thank you very much, Mr. Chairman. And I thank the ranking member for also taking the time and the courtesy today to hear about all these important defense priorities. And I would like to talk about one, in particular, for the United States Navy, our Nation, which is the EA-18G Growler.

The 2014 Quadrennial Defense Review notes, and I quote, "In the coming years, countries such as China will continue seeking to counter U.S. strength using anti-access and area-denial approaches."

Now, full-spectrum airborne electronic attack has been identified by the Navy and the Department of Defense as a critical and required capability for our forces to effectively and successfully operate in these challenging environments. As the Chief of Naval Operations, Admiral Jonathan Greenert, has stated, control of the electromagnetic spectrum is critical to the warfighting mission today and in the future.

As you know, the Growler is the Nation's only full-spectrum airborne electronic attack aircraft. It provides this unique capability off of Navy aircraft carriers and provides support for Joint Force land bases. It is truly the tip of the spear as our forces enter into contested air environments.

Recognizing that there is a warfighting need, the CNO submitted an unfunded priority for 22 additional Growlers for congressional consideration of the fiscal year 2015 defense appropriations. The stakes are quite high, and the time to act, I hope, is now.

Without additional Growlers to meet the Navy's unfunded priority, it is likely that the F-18 manufacturing line will shutter. To avoid this very predicament, last year Congress added \$75 million

in advance procurement funds for the F-18 in the fiscal year 2014 defense appropriations act, enough for 22 aircraft.

Another critical consideration is the Nation's defense industrial base for tactical aviation. Today, there are multiple providers for tactical aviation, sophisticated tactical radars, and Strike Fighter engines. With the end of the F/A-18 production, however, DOD will be left with only a single manufacturer in each one of these areas.

This scenario limits warfighting surge capacity, it eliminates competition that drives innovation and cost control, and imperils future development programs. Moreover, the F-18 program supports American manufacturing, including 60,000 jobs, 800 different suppliers and vendors, and provides \$3 billion in annual economic impact.

For these reasons, I have authored a House letter to your subcommittee asking for consideration of the Navy's unfunded priority of additional Growlers. I hope it demonstrates to you that there is a broad support for this request across Congress to support both the warfighter and the defense industrial base.

I look forward to working with the subcommittee and supporting the appropriations process as it moves through the House of Representatives. And I thank you.

Mr. FRELINGHUYSEN. Thank you, Ms. Wagner. And your letter and your presence testify to the importance of this program. We really appreciate your taking the time.

Mrs. WAGNER. I have a son on those front lines, who is a West Point graduate, who serves in the 101st Airborne. And our military readiness is of the utmost importance to me, not just as an American and a Member of Congress but as a mom too.

Mr. FRELINGHUYSEN. Both of us, we are proud of your son's service—

Mrs. WAGNER. Thank you.

Mr. FRELINGHUYSEN [continuing]. And so many remarkable young men and women. Thank you so much for being with us.

Mr. VISCLOSKY. Thank you very much.

[The written statement of Congresswoman Wagner follows:]

Representative Ann Wagner (MO-2)

Mr. Chairman and Ranking Member, and Members of the Subcommittee. Thank you for the opportunity to talk about a key defense priority for the United States Navy – and our Nation – the EA-18G Growler.

The 2014 Quadrennial Defense Review notes, “In the coming years, countries such as China will continue seeking to counter U.S. strengths using anti-access and area-denial (A2/AD) approaches...” Full spectrum airborne electronic attack has been identified by the Navy and the Department of Defense as a critical and required capability for our forces to effectively and successfully operate in these challenging environments. As the Chief of Naval Operations Admiral Jonathan Greenert has stated, control of the electromagnetic spectrum is critical to the warfighting mission today and in the future.

As you know, the Growler is the Nation’s only full spectrum airborne electronic attack aircraft. It provides this unique capability off of Navy aircraft carriers and provides support for joint force land bases. It is truly the tip of the spear as our forces enter into contested air environments. Recognizing that there is a warfighting need, the CNO submitted an “unfunded priority” for 22 additional Growlers for congressional consideration of the Fiscal Year 2015 defense appropriations

The stakes are quite high, and the time to act is now. Without additional Growlers to meet the Navy’s unfunded priority, it is likely that the F/A-18 manufacturing line will shutter. To avoid this very predicament, last year Congress added \$75 million in Advanced Procurement funds for the F/A-18 in the Fiscal Year 2014 Defense Appropriations Act – enough for 22 aircraft.

Another critical consideration is the Nation's defense industrial base for tactical aviation. Today, there are multiple providers for tactical aviation, sophisticated tactical radars, and strike fighter engines. With the end of the F/A-18 production, however, DoD will be left with only a single manufacturer in each one of these areas. This scenario limits warfighting surge capacity, eliminates competition that drives innovation and cost control, and imperils future development programs. Moreover, the F/A-18 program supports American manufacturing, including 60,000 jobs, 800 different suppliers and vendors, and provides \$3 billion in annual economic impact.

For these reasons, I have authored a House letter to your subcommittee asking for consideration of the Navy's "unfunded priority" of additional Growlers. I hope it demonstrates to you that there is broad support for this request across Congress – to support both the warfighter and the defense industrial base.

I look forward to working with this subcommittee and supporting the Appropriations process as it moves through the House of Representatives.

Mr. FRELINGHUYSEN. Representative Paul Cook. Marines never retire, but welcome.

Mr. COOK. That is affirmative, sir.

Mr. FRELINGHUYSEN. The floor is yours.

SUMMARY STATEMENT OF CONGRESSMAN COOK

Mr. COOK. Good morning, Mr. Chair, Ranking Member Visclosky. I do have to—the ranking member’s comments about appropriations and everything else, I hope I can get a copy of this so I can give to my wife so she will appropriate more money for my budget every month. We have—but that is another story.

Mapping and geographic data are critical elements in planning and conducting combat missions and ensuring our troops are aware of their surroundings. Today, this data is provided to our military by the National Geospatial-Intelligence Agency, or NGA. NGA’s products give the most complete data, allowing each service to access the information across a variety of handheld and mobile platforms.

In remote environments, such as the mountains of Afghanistan, an accurate map can be the difference between life and death. Following the attacks of the September 11th, 2001, the intelligence community struggled to distribute information in a timely manner to those responsible for our safety.

The challenge of providing high-quality, accessible mapping data in support of DOD operations was resolved by turning to the private sector for advanced mapping software. Today, cell phones place virtually unlimited information at our fingertips.

In fiscal year 2002, this committee provided \$15 million for the Commercial Joint Mapping Toolkit, which was competitively sourced and provided this information in a cost-efficient manner. The goal was to provide connectivity and interoperability between the users and providers of mapping data while minimizing costs for DOD.

Twelve years later, this goal has been achieved. Today, the Commercial Joint Mapping Toolkit is used in 56 DOD programs of record. Recognizing its value, the NGA is currently extending the program through December 31st, 2015.

After that, the future is unclear. I understand the NGA has not yet announced a plan for follow-up to Congress or DOD, and the committee needs to know what is being planned. I have serious concerns it is changing its approach to the mission of providing this key data.

The agency is building an online map of the world, which centralizes all intelligence data analysis, and it is touted as tailored for DOD and intel sectors. That is the core of my concern. The agency is not saying “tailored for warfighters.” While decision-makers far from the front lines have a need for information, it is never as severe as the need on the battlefield.

Today, this program is a success because mapping data and toolkit software are accessible to DOD at no charge. Obviously, budget constraints have made this—who knows what is going to go on. If NGA stops providing this data at no cost, the committee will almost certainly receive larger appropriation requests, as the DOD

attempts to build its own capability. And, obviously, this could have an overall impact on the troops that go into harm's way.

I am asking this committee to again take the lead on this important issue.

And, just personally, you know, many years ago, I joined the Marine Corps. I was an infantry officer. And people asked what I did, and I said I was the most dangerous weapon in the world. And that was, I was a second lieutenant with a map and a compass. And, unfortunately, there is a lot of truth in that, in that if you are out there in a strange environment and you don't know where you are, those troops and everything else, calling in artillery, air, it is very, very dangerous.

So I am very, very concerned about that for those people that go in harm's way. This is a program not as expensive as some of the others, but, you know, some are just very, very important.

I would just like to add, as a historian—I know that we have a number of historians. If you look back at the Battle of Shiloh, April 1862, when the famous general—well, he wasn't famous after the battle. Lew Wallace was supposed to arrive at the Battle of Shiloh; he got lost. And a lot had to do with the maps, the terrain, and everything like that. And, of course, the North almost lost that pivotal battle and could have conceivably lost the war. So the consequences are tremendous.

And I appreciate the committee allowing me to speak.

Mr. FRELINGHUYSEN. Mr. Visclosky.

Mr. VISCLOSKY. Mr. Chairman, if I could, I appreciate that the Member is not necessarily asking for money for NGA but for appropriate funding for, as you say in your testimony, the soldiers and Marines who are in the field.

So I do appreciate that is your primary concern. I must tell you, though, you were doing terrific until you mentioned Lew Wallace getting lost. As an Indiana resident, I don't know who prepared that statement.

Mr. COOK. Well, I knew you were going to ask that, sir. And, of course, we all know that Lew Wallace was instrumental at the Battle of Monocacy, where he was placed in obscurity, and, quite frankly, he saved the Union at that famous battle. And I am sure you have all gone out to the battlefield to learn more.

Mr. VISCLOSKY. Thank you so much.

Mr. FRELINGHUYSEN. Yeah, thank you, Paul, for being here. And thank you for your service in Vietnam—

Mr. COOK. Thank you very much.

Mr. FRELINGHUYSEN [continuing]. And bringing these concerns to our attention.

Mr. COOK. Thank you very much.

Mr. FRELINGHUYSEN. Thank you so much.

[The written statement of Congressman Cook follows:]

Testimony of Congressman Paul Cook (CA-08)
Defense Appropriations Subcommittee – April 4, 2014

Good morning, Chairman Frelinghuysen, Ranking Member Visclosky, and members of the Subcommittee. Thank you for providing me the opportunity to present an important issue for the intelligence community and DOD warfighters.

Mapping and geographic data are critical elements in planning and conducting combat mission and making our soldiers aware of their surroundings. Today, this data is provided to our military by the National Geospatial-Intelligence Agency, or NGA. NGA's products give the most complete data, allowing each service to access the information across a variety of handheld and mobile platforms. In a remote environment, such as the mountains of Afghanistan, an accurate map can be the difference between life and death.

Following the attacks of September 11th 2001, the intelligence community struggled to distribute information in a timely manner to those responsible for our safety.

The challenge of providing high-quality, accessible mapping data in support of DOD operations was resolved by ceasing our reliance on government to develop a program, instead turning to the commercial sector for advanced mapping software.

Today, cell phones place virtually unlimited information at our fingertips. Our men and women in uniform need similar access to remain safe, but are often without it in an operational environment.

In Fiscal Year 2002, this Committee provided 15 million dollars for the **“Commercial Joint Mapping Toolkit”** which was competitively sourced and provided this information in a cost efficient.

The goal was to provide connectivity and interoperability between the users and the providers of mapping data while minimizing cost for DOD. Ten years later, that goal has been achieved.

Today, the Commercial Joint Mapping Toolkit is used in over 200 DOD programs. Recognizing its value, the NGA is currently extending the program through December 31, 2015.

After 2015, its future is unclear. This is why I appear before you today. I understand the NGA has not yet articulated its plan for a follow-on program to Congress or to DOD. This Committee has a need to know.

I also have serious concerns that the NGA is changing its approach to the mission of providing geospatial data. This creates a potential problem for DOD warfighters for this reason:

The Agency is building an on-line “Map of the World,” **which can only be accessed through a web portal**, called Globe. The Map of the World project is a hub all geospatial intelligence. They tout this program as “tailored for DOD and intelligence senior decision makers.”

This is the core of my concern. **The Agency is not saying, “tailored for warfighters.”** While decision makers have a need for this information, it is never as severe as the need on the battlefield.

I commend the NGA for their modernization efforts and urge this Committee to fully support their budget request. However, senior decision makers are folks here in Washington. I am advocating for the soldiers and Marines deployed to the Middle East and the Asia-Pacific, who often cannot access the Globe web portal. Our combat operations often take place in remote environments. These are placed where accurate mapping data is needed frequently and immediately.

Today, this program is a success because mapping data and toolkit software are accessible to DOD at no charge. However, sequestration and budget constraints make future availability uncertain.

If NGA stops providing this data at no cost, this subcommittee will almost certainly receive larger appropriations requests, as DOD attempts to build its own capability. This may negatively impact performance and interoperability as each service attempt to fill the void individually.

Therefore, I am recommending that this Committee require the Director of the National Geospatial-Intelligence Agency and Assistant Secretary of Defense for Networks and Information Integration to submit a joint plan to Congress to describe the next follow-on program. This will ensure that NGA's modernization will not compromise service to those deployed to remote areas.

This plan should meet the needs of both organizations, using data effectively and cost efficiently, as was directed by this Committee. Any follow-on program should be competitive, just as it was a decade ago.

I am asking this subcommittee to again take the lead on this important issue so that our men and women in uniform have the best available tools as they enter harm's way in every corner of the earth to protect us.

Again, I appreciate the opportunity, Mr. Chairman, to bring this important issue to your attention. Further, I appreciate the work that the Members of this subcommittee do to ensure the safety and superiority of our military.

Thank you very much.

Mr. FRELINGHUYSEN. Martha Roby, welcome. A member of our committee, part of our leadership.

Mrs. ROBY. Well, good—

Mr. FRELINGHUYSEN. Good morning. Thank you for being with us this morning, taking time out of your schedule to share your concerns, things you want to bring to our committee's attention as we put this budget together. Thanks.

SUMMARY STATEMENT OF CONGRESSWOMAN ROBY

Mrs. ROBY. Thanks so much. And I appreciate the difficult work that you have on this subcommittee.

Rightly or wrongly, Congress has imposed on our military certain budget constraints that will require our commanders to make very tough decisions. Congress has asked them to do more with less and to maintain a delicate balance of readiness, end strength, and modernization. I believe that the United States Army is endeavoring to do just that, and I want to recognize Army leaders for their efforts.

As you know, Army aviation provides critical capabilities to our commanders in the field. Army helicopters directly engage the enemy with devastating force. They move critical cargo and troops to the front lines. And when every second counts, they offer life-saving transportation for our wounded warriors.

In response to budget cuts, the Army set out to review its aviation strategy in order to exploit efficiencies without compromising operational capability. The starting point was the reality that, in the time of smaller budgets, the number of combat air brigades must decrease. The end result is the Aviation Restructure Initiative, or the ARI.

I have closely monitored the development of ARI since last fall, and I believe it is the right solution for Army aviation, given the current fiscal constraints. ARI ensures the Army is able to maintain its most modern, capable, and survivable aircraft, while divesting legacy helicopters that are increasingly more expensive to operate and maintain.

With the growth of unmanned aircraft capabilities, ARI also allows the Army to capitalize on new technology and harness the potential of teaming manned helicopters with unmanned systems. This partnership will play a growing role in the future of Army aviation.

ARI reduces the aviation fleet by almost 800 aircraft, with approximately 86 percent of those coming from the Active Duty component. Furthermore, by reducing the Army aviation fleet from seven to four types of aircraft, ARI will save money that can be re-directed to modernizing our best utility, attack, and cargo helicopters. Importantly, ARI also enables the Army to continue the development of aviation programs such as the Future Vertical Lift.

These are, however, benefits beyond simple cost savings. As the Army Aviation Center for Excellence, Fort Rucker trains hundreds of new Army aviators on an annual basis. These pilots, the best in the world, are the most important assets the Army aviation brigade takes into battle.

Today, new students at Fort Rucker begin their training on old civilian-style helicopters that have been flying since Richard Nixon was President. Today, under ARI, students at Rucker will imme-

diately begin training in modern aircraft, complete with glass cockpits and dual turboshaft engines. These aircraft operate much more similarly to the Apaches, Black Hawks, and Chinooks that Army aviators fly in operational units. The result is better training and likely a reduction in overall training time.

Given the reality of the situation, I believe that ARI is a logical answer to a difficult situation. It will provide Army aviation with the most capability while mitigating sustainment costs. It also ensures that the Army has the most flexible aviation force to accomplish the mission when our Nation calls.

So, again, I appreciate you letting me share my thoughts with you today. And, again, I also understand that you have many difficult decisions to make in the days to come.

Mr. FRELINGHUYSEN. We appreciate it. And I suspect we will be making them together, since you serve on the Appropriations Committee with us. But thank you for your testimony and being a strong advocate for our military. Thank you so much.

Mrs. ROBY. Thank you so much.

Mr. VISCLOSKY. Thank you very much.

[The written statement of Congresswoman Roby follows:]

Rep. Roby Testimony for HAC-D

3 April 2014

Rightly or wrongly, Congress has imposed on our military certain budget constraints that will require our commanders to make very tough decisions. Congress has asked them to do more with less, and to maintain a delicate balance of readiness, end-strength, and modernization.

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ARI reduces the aviation fleet by almost eight hundred aircraft, with approximately eighty-six percent of those coming from the active duty component. Furthermore, by reducing the Army aviation fleet from seven to four types of aircraft, ARI will save money that can be redirected to modernizing our best utility, attack, and cargo helicopters. Importantly, ARI also enables the Army to continue the development of aviation programs such as Future Vertical Lift.

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Today, new students at Rucker begin their training on old, civilian style helicopters that have been flying since Richard Nixon was President. Tomorrow, under ARI, students at Rucker will immediately begin training in modern aircraft, complete with glass cockpits and dual turbo shaft engines. These aircraft operate much more similarly to the Apaches, Blackhawks, and Chinooks that Army aviators fly in operational units. The result is better training and likely a reduction in overall training time.

Given the reality of the situation, I believe that ARI is a logical answer to a difficult question. It will provide Army Aviation with the most capability while mitigating sustainment cost. It also ensures that the Army has the most flexible aviation force to accomplishment the mission when our nation calls.

Thank you.

Mr. FRELINGHUYSEN. Denny Heck, representing the great State of Washington, thank you for being with us.

I put Ms. Roby before you a little bit. I think you came in together, but as a member of the committee, we figured we would give her the nod.

Welcome. Thanks for being with us.

SUMMARY STATEMENT OF CONGRESSMAN HECK

Mr. HECK. Thank you, sir.

Mr. Chairman and members of the subcommittee, I am deeply grateful for the opportunity to appear before you today.

I know every one of us has seen those incredibly heartwarming video clips when soldiers return home from theater and surprise their family members. Sometimes a kid is at school, and in walks mom or dad. My favorite, actually, is where, in this case, it happened to be a father was in the big cardboard box and burst out.

And all of these end the same way, right? There is this look of shock and amazement on that child's face, and then they burst into a sprint and leap into mom or dad's arms for that embrace. They are precious moments. And I can tell you with all sincerity, I have—I couldn't watch them too many times and fail to have it bring a tear to my eye. And the reason is pretty obvious: Because sometimes mom and dad don't come home. They are incredibly moving.

As you know, military bases become the home of ambitious, promising students whose parents dedicate their lives to serving our great country. There are, in fact, about 80,000 students who attend public schools on military installations. Ninety-four percent of these students are the children of servicemembers.

I think we can all agree that when servicemembers visit these schools, they should walk into state-of-the-art, secure institutions where their child is thriving. While important progress in this area has been made, some schools remain in great need of safety, capacity, and technology upgrades.

Unfortunately, a 2011 analysis by the DOD's Office of Economic Adjustment found that there were 33 public schools on military installations across the country that were classified as being in poor and very poor condition. Some of these schools had crumbling walls, chipped floors, cracked ceilings. Some were too small, some with makeshift classrooms literally in hallways and supply closets. There were faulty ventilation units, corroded pipes, and the list goes on and on and on.

This committee generously stepped in—generously stepped in—and provided funding to replace the schools on this list. These schools now have welcomed back students to new and improved learning centers, while others are still in the process of being replaced. This was all thanks to the hard work of this subcommittee and your former colleague, Congressman Norm Dicks.

But now, due to sequestration cuts, the funding that the subcommittee provided will now cover just 28 of the 33 identified schools.

I happen to represent the congressional district—I have the privilege to represent the congressional district that includes Joint Base Lewis-McChord, often called JBLM, one of the largest mili-

tary installations in America. Unfortunately, Evergreen Elementary on JBLM is one of the schools that will now go without funding.

Evergreen happens to be a school recognized in the military community for its attention to students with special needs in education. In fact, the truth of the matter is that soldier after soldier makes a request for a compassionate assignment to JBLM so that their child with special needs can attend Evergreen.

As the husband of a devoted educator, now retired, I know teachers and staff work day-in and day-out so that the students making strides in the environment they have can go as far as they can. And I know that if the teachers and staff could physically build their own new school buildings, they would, because they are that dedicated.

Mr. Chairman, this subcommittee was instrumental in making a difference to thousands of other public school students on military installations across the country by implementing this project. What I am specifically asking for today is that you complete what was begun in 2011 and fix the remaining school buildings originally identified as being in poor or very poor condition and no longer sustainable.

Specifically, I request that the Defense Appropriations Subcommittee include the language from Section 8108 of the fiscal year 2013 defense appropriations bill. Section 8108 calls on the DOD to construct, renovate, repair, or expand the public schools on military installations that remain in need of updates, including our very own Evergreen Elementary.

I love seeing the smiles on those kids' faces when their parents return safely home and surprise them. And now I want to see the smiles on the faces of mom and dad when they enter a building that they know is suitable to their child's learning needs. This is the kind of investment that DOD can and should make in our servicemembers' families.

I thank you so very much for the privilege of being here, sir.

Mr. FRELINGHUYSEN. Well, thank you, Denny, for pointing out something which I think all the committee members feel very strongly about. There is more work to be done. We appreciate your highlighting something which is important to all of us.

Mr. HECK. Thank you, sir.

Mr. VISCLOSKY. I would simply also thank you for recognizing the contribution of Mr. Dicks. And when I was visiting Fort Campbell, met with some of the high school students and kicked everybody except the students out. And still remember one of the young men saying, you know, "I have lived at Fort Campbell longer than my father has."

And so, if nothing else, we ought to make sure they have the right facilities and tools as they get on with their lives, as well.

Thank you very much.

Mr. FRELINGHUYSEN. Well said. Thank you very much.

Mr. MORAN. Mr. Chairman? If I could—

Mr. FRELINGHUYSEN. Mr. Moran.

Mr. MORAN. Again, thank you, as well, Mr. Heck, for bringing an important issue to us.

Having served on the Military Construction Subcommittee, we all know there are issues there that should be funded but that seem a somewhat lower priority than funding schools.

I am just curious, why does the Defense Approps Subcommittee fund the schools and not Military Construction? I am just curious. I know——

Mr. FRELINGHUYSEN. You will have to pose that as a rhetorical question, because, quite honestly, I don't know, but it has always been, I think, part of our bill.

Mr. MORAN. Well, maybe because Norm was such a fine advocate for it. It is curious.

Mr. FRELINGHUYSEN. When I have gone somewhere, I have been appalled, actually, at the condition of some of the schools.

Mr. MORAN. Yeah.

Mr. FRELINGHUYSEN. I don't know, but we will find out. And I guess a public question deserves a public answer at some point in time.

Mr. MORAN. Thank you, Mr. Chairman.

Mr. VISCLOSKY. And, Mr. Chairman, I may have been given advice from our staff, and that is because these are not government-owned facilities, these are schools in the private school districts.

Mr. MORAN. That is the answer. Thank you.

Mr. FRELINGHUYSEN. Okay. Well, thank you. The process of education goes on here. Thank you very much.

[The written statement of Congressman Heck follows:]

**Testimony by Rep. Denny Heck
Defense Appropriations Subcommittee
April 4, 2014**

Thank you Mr. Chairman, and members of the subcommittee, for the opportunity to testify before you today.

I'm sure many of you have seen some of the heartwarming video clips when our soldiers return home and surprise their family members. Sometimes a kid is at school and their mom or dad walks in. The kid freezes, their jaw drops open, and then they quickly sprint into their mom or dad's arms. They are precious moments captured after months of sacrifice and resilience.

As you know, military bases become the home for ambitious, promising students whose parents dedicate their lives to serving their country. There are about 80,000 students who attend public schools on military installations. Ninety-four percent of these students are the children of service members.

We can all agree that when service members visit these schools, they should walk into state-of-the-art, secure institutions where their child is thriving. While important progress in this area has been made, some schools remain in great need of safety, capacity and technology upgrades.

Unfortunately, a 2011 analysis by the DOD's Office of Economic Adjustment found that 33 public schools on military installations across the country were classified as being in poor condition. Some of these schools had crumbling walls, chipped floors and cracked ceilings. Some schools were too small, with makeshift classrooms in hallways and supply closets. Faulty ventilation units, corroded pipes, the list goes on and on.

This subcommittee generously stepped in and provided funding to replace the schools on this list. These schools have welcomed students back to new and improved learning centers, while others are in the process of being replaced. This was all thanks to the hard work of you and your former subcommittee colleague, Congressman Norm Dicks.

But now due to sequestration cuts, the funding that the subcommittee provided will now only cover 28 of the 33 schools. I represent the Congressional district that includes Joint Base Lewis-McChord, one of the largest military installations in the United States. Unfortunately, Evergreen Elementary on JBLM is one of the schools that will now go without funding. Evergreen happens to be a school recognized in the military community for its attention to students with special needs in education. In fact, many soldiers request a compassionate assignment at JBLM so their child with special needs can attend Evergreen.

As the husband of a devoted educator, I know teachers and staff work day-in and day-out so that students are making strides in the environment that they have. If the teachers and staff could physically build their own new school buildings, they would. They are that dedicated.

Mr. Chairman, this subcommittee was instrumental in making a difference to thousands of other public school students on military installations across the country by implementing this project. What I am

asking for today is to complete what began in 2011, and fix the remaining school buildings originally identified as no longer sustainable.

I respectfully request that the Defense Appropriations Subcommittee include the language from Section 8108 of Fiscal Year 2013 defense appropriations bill.

Section 8108 calls on the DOD to construct, renovate, repair, or expand the public schools on military installations that remain in need of updates, including Evergreen Elementary.

I love seeing the smiles on those kids' faces when their parents return safely home to surprise them. Now I want those service members to be amazed and equally surprised when they see the investment the DOD has made in the well-being of their kids.

Thank you.

Mr. FRELINGHUYSEN. Pleased to recognize Congressman Bradley Byrne—thank you very much—from the great State of Alabama. Thank you for taking time out of your busy schedule to be with us this morning.

SUMMARY STATEMENT OF CONGRESSMAN BYRNE

Mr. BYRNE. Thank you, Mr. Chairman and Ranking Minority Member Visclosky and the distinguished members of the committee. It is my honor and pleasure to appear before you today to testify on two issues important to our national security: the Department of Defense's changes to the Littoral Combat Ship program and the continuation of the Joint High Speed Vessel program.

I am sure that you know the Independence variant of the Littoral Combat Ship and the Joint High Speed Vessel are both made in my district, in Mobile, Alabama. While I am committed to the people of my great State, I come to you today more with a concern for the future of the United States Navy, our great Navy.

The Littoral Combat Ship is essential to the missions in the world's littorals, the shallow seas of the world. It is being built in a manner that is both affordable and efficient, and it is critical if the Navy is to support the administration's pivot towards the Asia-Pacific region. I think you will agree that the fastest route to a hollow force is to increase requirements on our forces without providing the assets to complete the mission.

The Secretary of Defense has directed the Navy to look at a different ship option for the last 20 ships of the 52-ship Littoral Combat Ship program. The specifications are due from the Navy this summer. And it is my belief that a modified version of the LCS will be the best value for the taxpayer, while meeting the Navy's requirements of a capable and lethal surface combatant.

The LCS is designed with modularity in mind and can accept different mission sets and weapon systems with ease. If the Secretary of Defense wants a more lethal, small surface combatant, he need not look any further. There is plenty of space and power available for a vertical launch missile system and a 76-millimeter gun, giving the LCS the knockdown power of a destroyer. This vessel is truly a plug-and-play system.

We should be extremely concerned about the slowing of the purchase of the Littoral Combat Ships in the fiscal year 2015 budget. Reducing the ships in the LCS program in fiscal year 2015 through fiscal year 2017 is simply a bad idea. This introduces instability in the LCS program, as the shipbuilders in Alabama and Wisconsin and their suppliers price the ship on a four-ship block buy. And this instability will be felt by suppliers nationwide.

As you know, the Navy has continued to state its requirement for a 52 Littoral Combat Ship program. It is my belief that the LCS remains essential to the Navy's ability to project power, particularly to missions that don't require a destroyer or an aircraft carrier. The LCS is a fast, versatile, fuel-efficient, and highly capable ship. I liken it to Mohammed Ali, who said, "I float like a butterfly and sting like a bee."

The LCS is extremely important to the Navy because it addresses three critical mission areas: anti-surface warfare, particularly against fast inshore attack craft; anti-submarine warfare, most no-

tably against a proliferating diesel electric submarine threat; and mine warfare.

The Navy has often stated that LCS will deliver capabilities in these mission areas that far exceed those capabilities in the fleet today. For minesweeping, we actually send our sailors directly into minefields with vessels, and, under this new program, we would send remotely operated craft that come from the Littoral Combat Ships, so it is also better for the safety of our sailors.

During the recently completed LCS war game, the Navy has once again expressed their support and need for this program. The LCS program is currently realizing significant efficiencies and savings. Moving to an entirely new ship will introduce tremendous cost increases and time delays to the Navy—two factors our Navy cannot afford.

Failing to produce all 52 Littoral Combat Ships would significantly reduce the size of our fleet, set back the Navy's shipbuilding program for decades, and damage America's national security. Without all 52 ships, the Navy will be forced to cover the same geographic area with significantly fewer assets.

The LCS is the rare military program that has seen cost decrease instead of increase over time. The LCS has adhered to stringent contractual and budgetary constraints and has locked into fixed-price contracts and a congressionally mandated cost cap. The Littoral Combat Ships are being built today at an average cost of \$350 million per hull, well under the cost cap, and at half the cost of the first ships of this class. According to the Navy, the LCS is the most affordable ship in the fleet.

The Navy was directed by the Department of Defense to reduce the LCS buy for fiscal year 2015 from four ships to three ships. This action introduces instability into the current program, as the builders and suppliers of LCS price the ship on a four-ship buy, and will also greatly impact the shipyards in Alabama and Wisconsin and the broader shipbuilding industrial base. There are tens of thousands of hardworking Americans whose jobs depend on the continued construction of these valuable ships.

Because of these considerations, I ask that the committee restore the funds necessary to add a fourth ship back into this year's budget.

The Joint High Speed Vessel is also produced in my district. The Joint High Speed Vessel is a shallow-draft, all-aluminum, commercially based catamaran capable of intra-theater personnel and cargo lift, providing combatant commanders high-speed sealift mobility with inherent cargo handling capability and agility to achieve positional advantage over operational distances.

Joint High Speed transports personnel, equipment, and supplies over operational distances with access to littoral offload points, including austere, minor, and degraded ports, in support of military operations and humanitarian efforts. In automotive terms, the vessel has been compared to a pickup truck or a utility vehicle.

The Department of Defense places a premium on the ability of U.S. military forces to deploy quickly to a full spectrum of engagements. In addition, the Department values the ability of U.S. forces to debark and embark in a wide range of port environments, from modern to austere. The Joint High Speed Vessel, crewed by Mili-

tary Sealift Command sailors, has demonstrated the ability to transport military forces, as well as humanitarian relief personnel and material, in a manner that is responsive, deployable, agile, versatile, and sustainable.

The USNS *Spearhead*, which is the Joint High Speed Vessel 1, is currently employed to the Sixth Fleet area of responsibility. The Joint High Speed Vessel is designed to transport 600 short tons of military cargo 1,200 nautical miles at an average speed of 35 knots in sea state 3—35 knots. The Joint High Speed Vessel supports the Navy Expeditionary Combatant Command and riverine forces, theater cooperating missions, Seabees, Marine Corps, and Army transportation.

The original procurement objective, set in October 2008, was for 18 ships. This procurement number was lowered to 10 Joint High Speed Vessels as part of the fiscal year 2013 budget request.

Recently, before the Armed Services Committee, CNO Greenert mentioned the Navy's desire to modify the capabilities of the Joint High Speed Vessel by testing the railgun on the vessel. The versatility of the Joint High Speed Vessel is undeniable when you think about its mission capability with such a unique offensive weapon in its service. The Navy has desperately been searching for a vessel to test this weapon on, and they have clearly chosen the Joint High Speed Vessel for a reason.

Based on the ability of the Joint High Speed Vessel to support all branches of the military services, provide high-speed intra-theater sealift, operate in littoral environments, operate in austere port environments, and support humanitarian disaster relief activities, and because the ship's construction line is still operational, I believe the Department of Navy should continue to procure Joint High Speed Vessels.

Procuring additional Joint High Speed Vessels will enable the Navy to realize the hard-earned efficiencies and cost reductions achieved by the shipyard in constructing Joint High Speed Vessel 1 through 10. An additional \$50 million in long-ahead advance procurement funding will enable the Navy to begin the process of procuring additional Joint High Speed Vessels in line with the original 18-ship requirement.

Like the LCS, the Joint High Speed Vessel program provides the Navy with a very affordable and capable ship. At roughly \$160 million per ship, the Joint High Speed Vessel costs a fraction of what other shipbuilding programs cost. And with production steaming along, we are rolling new Joint High Speed Vessels off the line every 6 months. The program has clearly matured in what can only be considered efficient, serial production. We shouldn't let that go to waste.

Thank you very much for your time today. I appreciate the opportunity to share my thoughts on these two very valuable ships with the committee.

Mr. FRELINGHUYSEN. We thank the gentleman for his testimony. Mr. VISCLOSKY. Thank the gentleman, as well.

And recognizing that your predecessors were members of this committee—Mr. Callahan was my chairman; Mr. Bonner served on this subcommittee, our good friend—I assume your constituents'

expectations will be very high. I am confident you will be able to meet those.

But I do appreciate your concern about the shipbuilding program.

Mr. BYRNE. Thank you, sir. I have very big shoes to fill, and I work very hard today to fill them. Appreciate your time.

Mr. FRELINGHUYSEN. Thank you.

[The written statement of Congressman Byrne follows:]

**STATEMENT OF
BRADLEY BYRNE (AL-01)
MEMBER OF CONGRESS
BEFORE THE
HOUSE SUBCOMMITTEE ON DEFENSE
COMMITTEE ON APPROPRIATIONS
ON
4 APRIL 2014**

INTRODUCTION

Chairman Frelinghuysen, Ranking Member Visclosky, distinguished members of the committee; it is my pleasure to appear before you today to testify on two issues important to our national security, the Department of Defense's changes to the Littoral Combat Ship program and the continuation of the Joint High Speed Vessel program.

I am sure that you know, the Independence variant of the Littoral Combat Ship and the Joint High Speed vessel are both made in my district, Mobile, Alabama. While I am committed to the great people of Alabama, I come to you with more concern for the future of our great Navy.

LITTORAL COMBAT SHIP

The Littoral Combat Ship is essential to missions in the world's littorals; it is being built in a manner that is both affordable and efficient; and it is critical if the Navy is to support the Administration's pivot towards the Asia-Pacific region. I think you will agree that the fastest route to a hollow force is to increase requirements on our forces without providing the assets to complete the mission.

The Secretary of Defense has directed the Navy to look at a different ship option for the last 20 ships of the 52 ship Littoral Combat Ship program. The specifications are due from the Navy this summer and it is my belief that a modified version of the LCS will be the best value for the tax payer while meeting the Navy's requirements of a capable and lethal surface combatant.

The LCS, designed with modularity in mind, can accept different mission sets and weapons systems with ease. If the Secretary of Defense wants a more lethal, small surface-combatant, he need not look any further. There is plenty of space and power available for a vertical launch missile system and a 76 MM gun, giving the LCS the knock down power of a Destroyer. This vessel is truly a plug and play system.

We should be extremely concerned about the slowing of the purchase of Littoral Combat Ships in the FY 15 budget. Reducing the ships in the LCS Program in FY15 through FY17 is simply a bad idea. This introduces instability in the LCS Program, as the shipbuilders in Alabama and Wisconsin and their suppliers priced the ship on a four-ship block buy and this instability will be felt by suppliers nationwide.

As you know, the Navy has continued to state its requirement for 52 Littoral Combat Ships (LCS). It is my belief that the LCS remains essential to the Navy's ability to project power, particularly to missions that don't require a destroyer or aircraft carrier. The LCS is a fast, versatile, fuel-efficient, and highly capable ship. LCS is extremely important to the Navy because it addresses three critical mission areas: anti-surface warfare, particularly against fast inshore attack craft, anti-submarine warfare, most notably against a proliferating diesel electric submarine threat, and mine warfare. The Navy has often stated that LCS will deliver capabilities in these mission areas that far exceed those capabilities in the fleet today. During the recently completed LCS War Game, the Navy has once again expressed their support and need for this program.

The LCS program is currently realizing significant efficiencies and savings. Moving to an entirely new ship will introduce tremendous cost increases and time delays to the Navy, two factors the Navy cannot afford. Failing to produce all 52 Littoral Combat Ships would significantly reduce the size of our fleet, set back the Navy's shipbuilding program for decades, and damage America's national security. Without all 52 ships, the Navy will be forced to cover the same geographic area with significantly fewer assets.

The LCS is the rare military program that has seen costs decrease instead of increase over time. The LCS has adhered to stringent contractual and budgetary constraints and is locked into fixed price contracts and a congressionally mandated cost cap. Littoral Combat Ships are being built today at an average cost of \$350 million per hull, well under the Cost Cap and at half the cost of the first ships of class. According to the Navy, the LCS is the most affordable ship in its fleet.

The Navy was directed by the Department of Defense to reduce the LCS buy for Fiscal Year 2015 from four ships to three ships. This action introduces instability into the current program, as the builders and suppliers of LCS priced the ship on a four-ship buy, and will also greatly impact the shipyards in Alabama and Wisconsin, and the broader shipbuilding industrial base. There are tens of thousands of hardworking Americans whose jobs depend on the continued construction of these valuable ships. Because of these considerations, I ask that the Subcommittee to restore the funds necessary to add a fourth ship back into this year's budget.

JOINT HIGH SPEED VESSEL

The Joint High Speed Vessel (JHSV) is also produced in my district. The JHSV is a shallow draft, all aluminum, commercial-based Catamaran capable of intra-theater personnel and cargo lift providing combatant commanders high-speed sealift mobility with inherent cargo handling capability and agility to achieve positional advantage over operational distances. The JHSV transports personnel, equipment, and supplies over operational distances with access to littoral offload points including austere, minor and degraded ports in support of military operations and humanitarian efforts. In automotive terms, the vessel has been compared to a pickup truck or utility vehicle.

The Department of Defense places a premium on the ability of U.S. military forces to deploy quickly to a full spectrum of engagements. In addition, the Department values the ability of U.S. forces to debark and embark in a wide range of port environments, from modern to austere. The JHSV, crewed by Military Sealift Command sailors, has demonstrated the ability to transport military forces, as well as humanitarian relief personnel and materiel, in a manner that is responsive, deployable, agile, versatile, and sustainable. USNS Spearhead (JHSV-1) is currently deployed to the 6th Fleet Area of Responsibility.

The JHSV is designed to transport 600 short tons of military cargo 1,200 nautical miles at an average speed of 35 knots in sea state 3. JHSVs support Navy Expeditionary Combat Command and riverine forces, theater cooperating missions, Seabees, Marine Corps and Army transportation. The original procurement objective, set in October 2008, was for 18 ships. This procurement number was lowered to 10 JHSVs as part of the Fiscal Year 2013 Budget Request.

Recently, before the Armed Services Committee, CNO Greenert mentioned the Navy's desire to modify the capabilities of the JHSV by testing the rail gun on the vessel. The versatility of the JHSV is undeniable when you think about its mission capability with such a unique offensive weapon in its service. The Navy has desperately been searching for a vessel to test this weapon on, and they've clearly chosen the JHSV for a reason.

Based on the ability of the JHSV to support all branches of the military services, provide high-speed intra-theater sealift, operate in littoral environments, operate in austere port environments, and support humanitarian/disaster relief activities, and because the ship's construction line is still operational, I believe the Department of the Navy should continue to procure JHSVs. Procuring additional JHSVs will enable the Navy to realize the hard earned efficiencies and cost reductions achieved by the shipyard in constructing JHSV-1 through JHSV-10. An additional \$50 million in long lead advance procurement funding will enable the Navy to begin the process of procuring additional JHSVs in line with the original 18 ship requirement.

Like the LCS, the JHSV program provides the Navy with a very affordable and capable ship. At roughly \$160M per ship, the JHSV costs a fraction of what other shipbuilding programs cost, and with production steaming along, we're rolling new JHSV's off the line every six months. The program has clearly matured into what can only be considered efficient, serial production. We shouldn't let that go to waste.

Thank you very much for your time today. I appreciate the opportunity to share my thoughts on these two valuable ships with the Subcommittee.

Mr. FRELINGHUYSEN. Mr. Palazzo, I do apologize. I know you got here on time. Accept my sincere apologies.

Mr. PALAZZO. Mr. Chairman, as a former Marine and somebody in the Army National Guard—

Mr. FRELINGHUYSEN. Yeah, let me thank you for your gulf war service, as well, too.

Mr. PALAZZO. Thank you, sir.

Mr. FRELINGHUYSEN. Very special for all of us. The time is yours.

SUMMARY STATEMENT OF CONGRESSMAN PALAZZO

Mr. PALAZZO. Thank you, Mr. Chairman and Ranking Member of the committee, for the opportunity to appear before the subcommittee on my priorities for your fiscal year 2015 defense appropriations bill.

As a member of the House Armed Services Committee, I want you to know that I have a healthy respect for the work of your subcommittee and the essential role you play in providing for our soldiers, sailors, airmen, and Marines who wear the uniform of the United States in service to our Nation. I also share your commitment to providing for a Navy and Marine Corps that is capable of projecting American power abroad with forward-deployed naval forces.

As some of you know, I represent the Fourth Congressional District of Mississippi, down on the Gulf Coast, and it is no surprise that my district depends heavily on industries like military shipbuilding, which is both a national and strategic industry that contributes to our national economy and our national defense, with an impact that goes well beyond the borders of my district. And so I come here today to discuss a national and strategic issue that I believe is critical to the future of our Navy and Marine Corps.

The *San Antonio* class of LPD is a 684-foot-long amphibious assault ship. This class of ships functionally replaces four previous amphibious ship classes and provides greater mission capability and enhanced command and control than her legacy amphibies. The *San Antonio*-class LPD also features a longer expected service life, improved quality of life for the sailors and Marines aboard her, and reduced total ownership costs, something I know is of critical importance to us on the House Armed Services Committee and a desire that I know you share, as well, Mr. Chairman.

The LPD is a warship that embarks, transports, and lands elements of the landing force for a variety of expeditionary warfare missions. When fully loaded, these warships can carry landing craft air cushions, or LCACs, Amphibious Assault Vehicles, and a wide variety of Marine Corps aviation assets, from the MV-22 Osprey to every helicopter in the Marine Corps inventory. Simply put, this ship enables the Marine Corps to go to war when necessary, but she is built to handle a wide range of missions, including humanitarian assistance and disaster relief.

Most importantly, the LPD is a survivable amphibious warship that is capable of going into harm's way. The ship is built to protect the almost 1,000 sailors and Marines who sail aboard her. And she relies on the critical contributions of over 1,000 companies in over 40 States from across our Nation.

So I come before you today because I strongly support a proposal to build a 12th LPD in fiscal year 2015.

It is no secret that the budget of the Department of Defense has been under a lot of pressure recently, and the Navy's budget is experiencing similar strain. However, I do not believe that current budget pressures should unduly influence our long-term strategic thinking on the needs of the future of our Navy and Marine Corps team.

We are building the last two ships of the *San Antonio* class today in Mississippi, and given the needs of the Navy and Marine Corps, the hot production line, the stable design of the ship, the maturity of the supply base, and the proven fleet performance of these ships, I firmly believe we need to build an additional 12th ship of the *San Antonio* class. I ask for your support of this proposal in your fiscal year 2015 defense appropriations bill.

And, in closing, shipbuilding is one of the most strategic activities undertaken by our defense industrial base. It takes years to build the finest ships for the finest Navy and Marine Corps in the world. And I am proud to represent one of the largest last great centers of American manufacturing, right at home in south Mississippi.

But don't take my word for it. During a recent forum, General James Amos, the Commandant of the Marine Corps and a member of the Joint Chiefs of Staff, stated, I quote, "We have an LPD hull right now which is one of the most successful hulls we have. There are years and years of time and effort that have gone into that LPD. That is as fine an amphibious warship as has ever sailed the seas. The LPD, from my perspective, just makes sense." I couldn't agree more with General Amos.

And I thank you gentlemen for your time.

Mr. FRELINGHUYSEN. Well, thank you, invoking his name. And, again, thank you for your own military service, for your work on the House Armed Services Committee. And our committees are bound to work together, since at a time of less resources we need to make sure that every dollar counts, and I look forward to working with you and your colleagues.

Mr. PALAZZO. Same here, Mr. Chairman.

Mr. VISCLOSKY. Thank you very much.

Mr. PALAZZO. Thank you, gentlemen.

Mr. FRELINGHUYSEN. Appreciate it. Thank you.

Reid Ribble, the gentleman from Wisconsin. How are you?

Mr. RIBBLE. I am doing great. Mr. Chairman, Mr. Ranking Member, thanks for—

Mr. FRELINGHUYSEN. And I look forward to meeting you. We have an office visit, I think, in the offing, too.

Mr. RIBBLE. Yes.

Mr. FRELINGHUYSEN. Thank you. Thank you for being with us this morning.

SUMMARY STATEMENT OF CONGRESSMAN RIBBLE

Mr. RIBBLE. I am happy to be here.

And I am not going to go through my testimony word for word; you have written copies. I am going to also try to help you get back on schedule here a little bit.

I wanted to talk to you about LCS, not from the position of whether this is the right ship for the Navy or isn't the right ship for the Navy. I think the Department of Defense, the Department of the Navy, and House Armed Services on both the House and Senate will make determinations on the appropriateness of this vessel.

What I want to talk about specifically is the fiscal year 2015 block-buy acquisition strategy. If the strategy was correct then—and I believe it is, because we saw a ship that originally cost nearly \$700 million be driven down in cost to around \$350 million, nearly half of the original price—if the block-buy strategy is broken for fiscal year 2015, we have the likelihood that the Navy, therefore the taxpayer, will pay significantly more for the remaining ships under the contract.

And that, therein, is the rub, is that if we are going to, in times of tough fiscal decision-making, it seems to me that the best decision is to not break a contract and go from 4 ships, which is the current contract, to 3, thus raising the cost of the remaining 10 or 12, doesn't seem to me to be a very practical economic strategy.

And so I am here today requesting that the Appropriations Committee consider relieving that four-ship block in fiscal year 2015 so that the contract itself isn't broken.

Secondarily to that, Mr. Chairman, it goes to a broader discussion about American shipbuilding capabilities. My shipyard in Marinette, Wisconsin, as well as other shipyards that do military contracting, often invest tens of millions, if not hundreds of millions, of dollars of private investment to prepare for contracts based on promises given by the Federal Government to these localities. And, in this case, my shipyard spent nearly \$100 million of their own private investment.

If contracts get broken—and I understand changes in defense strategy and changes in terms of agreements as the Nation shifts and moves and we learn things, but we still must be very careful about private future investment. If we discourage or disincent private future investment into this Nation's shipbuilding capacity, we, in essence, strike a blow into the Nation's defense.

And so, therefore, I think we need to move very cautiously any time that we are going to actually break a contract. I get having contracts end, and I get making changes, but I am very concerned about this Nation's shipbuilding capacity.

We have an extraordinarily gifted group of workers at Marinette Marine in Marinette, Wisconsin, who are building the Littoral Combat Ship. And this was a ship that, quite frankly, Secretary Gates, Secretary Panetta—Secretary Panetta was just up at the shipyard a few months ago—Secretary Mabus have all spoken glowingly of. And, in recent war games, the Navy itself spoke glowingly of the ship itself.

So it is a ship that apparently they wanted. It is a ship that we should continue to build for the time being as long as it meets the national defense strategy. And it is certainly, from an economic standpoint, a ship that we shouldn't break a contract with in fiscal year 2015, where we reverse the trend of cost savings and make the ship that they are going to buy anyway more expensive.

And so, as you guys weigh and measure all these things—and I can tell you, it is during this time of year I am glad I am not an appropriator—but I want to encourage you to consider what that block buy and strategic buy program means to our shipbuilding capacity and meeting the promises that we have given, but also make sure that we are buying these ships at the best possible costs for the time that we buy them.

And, with that, I yield back.

Mr. FRELINGHUYSEN. Well, thank you for being here and articulating so well what is so important here. We don't want to lose that industrial base and incredibly qualified people, no matter where they are, but certainly recognize the historic role of Wisconsin.

Mr. VISCLOSKY. I appreciate you summarizing your testimony. I appreciate that you use steel to build those ships in Wisconsin. And your concern about the industrial base, particularly shipbuilding, I think the chairman, all of us on the committee are very concerned about it.

The one question I have is, Vilas County, is that in Mr. Duffy's district?

Mr. RIBBLE. Yes, it is. It used to be in my district.

Mr. VISCLOSKY. Because my mother is from Eagle River. I was just curious.

Mr. RIBBLE. Yeah. A beautiful place.

Mr. VISCLOSKY. It is a great State, Wisconsin.

Mr. RIBBLE. Thank you very much.

Mr. VISCLOSKY. Thank you for your concern.

Mr. RIBBLE. Yeah. It is good to be here, and thank you for your time.

Mr. FRELINGHUYSEN. Thank you, Reid.

[The written statement of Congressman Ribble follows:]

Testimony of Representative Reid J. Ribble (WI-8)
Before the House Appropriations Subcommittee on Defense
April 4, 2014

Mr. Chairman, Thank you for allowing me the opportunity to testify this morning. I appreciate the amount of work that your committee has before it and the timetables of Congress can be challenging. So thank you for setting aside this time for this hearing.

As you begin to craft the fiscal year 2015 Defense Appropriations bill, I felt it important to express my strong support for funding the Littoral Combat Ship, the LCS, at a production rate of four vessels for FY 2015. This level of production was originally budgeted and in place per the 2010 Department of Navy's Dual Block Buy Acquisition Strategy.

The LCS is the rare military program that has seen costs actually decrease instead of increase over time. The LCS has adhered to stringent contractual and budgetary constraints and is locked into fixed-price contracts and a congressionally mandated cost cap. Littoral Combat Ships are being built today at an average cost of \$350 million per hull, well under the Cost Cap and at half the cost of the first ships of class.

Maintaining the original plan of four vessels in FY15 secures these savings and the negotiated block buy pricing. It also preserves the outstanding learning and efficiency curves at both of the LCS shipyards.

According to the Navy, the LCS is the most affordable ship in its fleet. Why then, while other shipbuilding programs continue to spiral out of control in cost and schedule, is the LCS program being considered for penalization in today's fiscally constrained environment?

If the current block buy of four ships in FY15 is broken, the Navy will not only pay significantly more for ships currently under contract, but will lead to significant cost growth in the FY 15 through FY 19 vessels. The cost growth would be associated with changes in overhead absorption by spreading fixed overhead over a smaller production base, lost economies of scale, lost labor synergy, severance costs associated with reduction in labor force, and the potential exposure tied to the ability to recover the remaining book value of capital assets. Spending more, to get less, is not a sound fiscal or defense strategy and this committee should not go down that path.

A large portion of the production efficiencies which have driven down ship costs are attributable to industry's investment in both yards...in Marinette, Wisconsin as well as Alabama. This is private investment, unlike the public taxpayer investment in other Navy Ship Yards. These private investments were made on a commitment of two ships per year, per shipyard. Backing away from this commitment acts as a disincentive to private investment, and comes at an additional cost to the U.S. taxpayer.

I believe this is an important point to convey, Mr. Chairman...our government, by way of the Navy, has made a commitment to these shipyards. And these businesses took the government at

its word and have moved forward with significant investment. The government should not break its promise to these workers and contractors with contract changes.

So promises have been made. Costs have been reduced dramatically. There is an additional, critical, component to why this committee should fund four vessels in FY15...

...both variants of the LCS continue to fill a strategic role the Navy repeatedly states it needs, both in brown and blue water scenarios.

A recently concluded Navy War Game underscores the relevance of the LCS today and in the future. The wargame highlighted the effectiveness, lethality and survivability of the LCS and its ability to fill a role not presently served by any other vessels in the fleet. Rear Admiral Thomas Rowden, the Navy's Director of Surface Warfare was quoted as saying, "They (LCS) can give the enemy a helluva hard time."

Rear Admiral Rowden also states that the LCS fits well with the current fleet: "The whole is significantly greater than its parts, the LCS could be tasked to do some destroyer-type missions to free up the DDGs for other jobs." He says, when used the correct way -- the way the ships were envisioned -- they can take a punch and deliver one. This is not a vessel to scale back. We shouldn't be using Arleigh Burke Destroyers for tasks that can be done with less costly, more appropriate vessels. Each vessel has its place and purpose and that is certainly true for the strategic hole that the LCS is exceptionally capable of filling.

Echoing Rear Admiral Rowden's sentiments, Admiral Jonathan Greenert, Chief of Naval Operations, stated in a recent Senate hearing that, "The LCS is an important small surface combatant the Navy needs now and in the future."

We in Congress should listen to those who are tasked with managing these programs, those who know them best, and those who use them daily. We should stand with the Navy and continue to support the Navy's requirements for Littoral Combat Ships as originally planned.

In closing, I urge you to consider funding the LCS program at a rate of four ships per year through Fiscal Year 2015. Thank you again, Mr. Chairman, for the opportunity to testify this morning.

Mr. FRELINGHUYSEN. David Jolly, welcome. The gentleman from Florida.

THE SUMMARY STATEMENT OF CONGRESSMAN JOLLY

Mr. JOLLY. Thank you, Mr. Chairman and Mr. Ranking Member.

For those of you in the room, including professional staff, this is a unique opportunity for me. And I will keep my remarks brief and contribute to Mr. Ribble's effort to get you back on schedule. I have submitted for the record my testimony.

I have a unique situation, as the newest Member of Congress but, more importantly for this subcommittee, one who has the responsibility to carry on a legacy of a man that you all worked so closely with, and contributed not just to the security of our country but you know what he did for the district that now I have the privilege to represent. And so, to the extent that I am able to, I am trying to maintain the level of effort and contribution he made to our district but also to our region and the regional assets that support our national security.

We have a district that, as you know, contributes to many national programs, programs of record. We contribute to the JSF canopies, the GPS III, SOCOM GMV recent award, cooperative engagement capability for naval warships—all of these competitively awarded programs of record. I have submitted Member requests in support of many of those and would ask for your consideration.

But more importantly—I shouldn't say "more importantly"—just as importantly, the assets at both the Guard and Reserve center in my district, as well as MacDill Air Force Base. We have the Reserve Medical Command there. We have a readiness center, a joint readiness center that is now named for my predecessor. And then at MacDill, you know the assets that we have at MacDill and the operations of both CENTCOM and SOCOM.

And the only ask I would have for you there—I know this committee last cycle worked with the command on decisions of staffing and resources and whether those would be retained at MacDill or whether there were resources better applied in other areas. Certainly not trying to speak for the command or for this committee, but I would simply ask that, in an era of fiscal constraint, that we consider the investment that has been made at MacDill, the success of having SOCOM at MacDill, at its current staffing and resource level, and make sure that we balance any decisions related to that with the investment we have already made and the command's priorities.

I have submitted that statement for the record, but, gentlemen, I appreciate the opportunity to be here today.

Mr. FRELINGHUYSEN. We appreciate it. And we recognize, obviously, the legacy you follow. And, obviously, our committee is mindful of the number of important installations and purposes for which your district has historically been focused. So we appreciate your being here.

Mr. VISCLOSKEY. And as a former staffer, I wish you well in your career. We both were blessed with wonderful mentors.

Mr. JOLLY. Thank you very much. I appreciate it.

[The written statement of Congressman Jolly follows:]

Representative David W. Jolly

Florida 13th District

Chairman Frelinghuysen, Ranking Member Visclosky, and other Members of this Subcommittee:

It is an honor to appear before you as a new Member of Congress, and particularly as the Representative of the Congressional district that was served for 43 years by my mentor and your dear friend Bill Young. I know from my many years of working for him that he cherished the tens of thousands of hours he spent in this room with you providing for our Country's national security and he counted many of you as his closest and dearest friends.

The Tampa Bay area, which I represent, is a region that is a key provider of resources for the men and women who go into harm's way to protect us. Thousands of my constituents go to work every day to develop and produce systems for every branch of our Military. It is where the canopies for the cockpits of the Joint Striker are produced. It is where guidance systems for many of our satellites and delivery systems are developed and produced, as well as much of the work we do on the GPS III system. It is where the production of many of the munitions for the Army and Marine Corps are managed. It is where the Cooperative Engagement Capability for naval warships was developed, and where hundreds of other important war fighting capabilities were developed and produced by large and small businesses alike. I would appreciate the Committee's continued support for these important national programs.

The Tampa Bay area is also an area where men and women serve in the National Guard and Reserve at the C. W. Bill Young Joint Readiness Center and where hundreds of pilots fly helicopters for the Army Reserve. I might add that the Army Reserve Medical Command is resident at the Readiness Center and, as you heard yesterday, the Army Reserve provides much of the medical support for the entire Army. Many men and women who reside in my district also work at MacDill Air Force Base, just across Tampa Bay from us, which is home to U.S. Central Command, U.S. Special Operations Command, and a very important active duty and reserve air refueling wing.

Mr. Chairman, I know that you are particularly knowledgeable and supportive of the work of our Special Operations Forces, and I want to thank you and the other Members here for your continuing interest in providing them the resources they need to accomplish their extremely important missions. These brave men and women would not be the competent warriors they are, or in the sufficient numbers they are, without the leadership of this subcommittee. Each of you can take great pride in the success of the missions they perform, many of which most of the world will never know about.

Speaking of those missions, Mr. Chairman I know that on one of your many visits to the headquarters of Special Operations Command (SOCOM), you were with the SOCOM Commander the night his forces captured Saddam Hussein. It must have been a gratifying night to see the fruits of your many years of effort at work and to witness such a historic moment.

On the subject of SOCOM, I am aware that there have been previous discussions of relocating staffing and functions from the headquarters in Tampa to other locations, and that this committee took a strong stand last year in questioning those efforts. I hope that in this era of fiscal constraint, we can work together to ensure that the tremendous investment this committee and our country have made in SOCOM at MacDill will be fully utilized. It is no accident that Central Command, where so many of our overseas deployments are managed, and SOCOM are collocated there. They work together extremely well.

In closing Mr. Chairman, I know that your subcommittee's work fulfills the most important Constitutional responsibility of Congress, and that is to provide for our common defense. Without a strong national defense, all of our other work would be rendered irrelevant. I know it is hard work. I know that it requires many hours away from your families. Moreover, I am aware that the staff you have assembled to help you with that work is among the finest on Capitol Hill. So thank you and please know that this Congressman is honored to serve in the same body with you and to be supportive of your critically important work.

Mr. FRELINGHUYSEN. Mr. Farr across the threshold first. Of course, Mr. Nunes is in the warmup spot. I apologize.

Our colleague from the committee, Sam Farr.

SUMMARY STATEMENT OF CONGRESSMAN FARR

Mr. FARR. Well, thank you very much, Mr. Chairman, Mr. Visclosky, fellow members of the Appropriations Committee. I want to thank you for the honor of allowing me to testify but mostly for your continuous support for servicemembers and the DOD civilians who are committed to our national security.

I bring to you an ask in the wake of yet another tragic shooting at a military installation and solemnly come before you today to ask for your support in helping prevent such catastrophic events from occurring by fully funding the ACES continuous evaluation program.

Because of the Washington Navy shooting, the intelligence leaks at NSA with contractor Edward Snowden, and the 2009 Fort Hood shootings, President Obama ordered a review of the security clearances by the Department of Defense and the Office of Management and Budget and the Department of Navy and an independent review.

The consistent theme across all four reviews was the need for a continuous evaluation program, which means reviewing the background of an individual who is determined to be eligible for access to classified information on an ongoing basis to confirm that the individual continues at all times to meet the requirements for eligibility for access to classified information.

In my district, the Defense Department has an organization called Defense Personnel Security Research Center, known as PERSEREC, and it has developed the Automated Continuous Evaluation System, known as ACES. The program has been in effect for about 9 years. It can provide continuous evaluation of individuals 24/7, 365 days a year, instead of the only periodic reinvestigations which occur every 5, 10, or 15 years.

Currently, ACES is capable of checking over 40 government and commercial databases in areas relevant to personal security and can identify those individuals who may present a potential security risk. ACES is the only continuous evaluation program that complies with the legal and regulatory privacy provisions and permissible uses of government and commercial data.

ACES conducted a pilot test with a sample of 3,370 Army servicemembers, civilian employees, and contractor personnel. ACES was able to identify over 730 individuals with previously unreported derogatory information. Based on the results of this ACES pilot, the Army revoked the clearances of 55 individuals and suspended the access of 44 more who had derogatory information like financial issues, domestic abuse, or drug abuse.

In its report on suitability and security process review, OMB has recommended the following timeline to fully implement the continuous evaluation: October of 2014, the ACES pilot program is to expand to 100,000 personnel. By 2015, capability of 225,000 personnel. By 2016, 500,000 personnel. And by 2017, capability to have continuous review on a million personnel.

We agree with this time plan and really recommend that its funding be made—I think it is \$53 million that can be made available for that.

So I ask this committee to fund PERSEREC's ACES program as an enterprise for continuous evaluation solutions for our government's ongoing need to keep our security personnel continuously monitored as to their capability of maintaining that category.

So I would be glad to answer any questions you might have.

Mr. FRELINGHUYSEN. Well, thank you for raising this as something which deserves more attention in our committee.

Mr. FARR. Well, thank you very much, and thank you for your attention.

Mr. VISCLOSKY. Mr. Farr, thank you very much.

Mr. FRELINGHUYSEN. Thank you very much.

[The written statement of Congressman Farr follows:]

SAM FARR
20TH DISTRICT, CALIFORNIA

COMMITTEE ON APPROPRIATIONS

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Congress of the United States
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April 3, 2014

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Mr. Chairman and Ranking Member Visclosky,

As a fellow member of the Appropriations Committee, I want to thank you for permitting me the honor of testifying in front of the Defense Subcommittee, and for your continued support of our service members and DoD civilians who are committed to the national security of our country. In the wake of yet another tragic shooting at a military installation, I solemnly come before you today to ask for your support in helping to prevent such catastrophic events from occurring by fully funding the ACES Continuous Evaluation program. Because of the Washington Navy shooting, the intelligence leaks of NSA contractor Edward Snowden, and the 2009 Fort Hood shootings, President Obama ordered a review of the security clearance process by the Department of Defense, Office of Management and Budget, Department of the Navy and an Independent Review.

The consistent theme across all four reviews was the need for a Continuous Evaluation (CE) program, which means reviewing the background of an individual who has been determined to be eligible for access to classified information -- on an ongoing basis -- to confirm that an individual continues to meet the requirements for eligibility for access to classified information. In my district, the Defense Personnel Security Research Center (PERSEREC) developed the Automated Continuous Evaluation System (ACES) program over nine years ago. It can provide Continuous Evaluation 24/7/365, instead of only periodic reinvestigations every 5, 10, or 15 years.

Currently, ACES is capable of checking over 40 government and commercial databases in areas relevant to personnel security and identify those individuals who may present a potential security risk. ACES is the only continuous evaluation program that complies with legal and regulatory privacy provisions and permissible uses of government and commercial data. ACES conducted a pilot test with a sample of 3,370 Army service members, civilian employees, and contractor personnel. ACES was able to identify over 730 individuals with previously unreported derogatory information. Based on the results of this ACES pilot, the Army revoked the clearances of 55 individuals and suspended the access of 44 more who had derogatory information like financial issues, domestic abuse, or drug abuse. In its report on Suitability and Security Processes Review, OMB has recommended the following timelines for implementation of CE:

- October 2014 - ACES CE pilot to expand to 100,000 personnel
- By 2015 CE capability to 225,000 personnel
- By 2016 CE capability to 500,000 personnel
- By 2017 CE capability to 1 million personnel

We owe it to our country to prevent insider threats. ACES is the only CE pilot that has proven results, has met privacy protections, is scalable and can meet the OMB recommendations and can do it now, today. I respectfully ask the Committee to fund PERSEREC's ACES program as the enterprise continuous evaluation solution for the federal government. ACES can

be funded by allowing the Director of National Intelligence to use funds that are already appropriated to Office of Personnel Management for the security clearance process. As recent events have clearly indicated, one of our biggest security challenges is insider threats. We can't afford to lose more lives. Please fund ACES so it can become fully operational.

Thank you Mr. Chairman, Ranking Member Visclosky and the other members of subcommittee for your time and consideration. It's an honor to serve with you on the Appropriations Committee.

Sincerely,

A handwritten signature in black ink, appearing to read "Sam Farr", written over the printed name "SAM FARR".

SAM FARR
Member of Congress

Mr. FRELINGHUYSEN. Another gentleman from California, Mr. Nunes. Welcome.

SUMMARY STATEMENT OF CONGRESSMAN NUNES

Mr. NUNES. Well, thank you, Mr. Chairman and Ranking Member. It is great to be here. And I have a statement that I will just submit for the record, if you would accept that.

You probably don't get this very often, but I am actually here to thank both of you for your strong support of Lajes Air Base, which is out in the middle of the Atlantic Ocean. A lot of people forget about it. And I am concerned and remain concerned that, in fact, our Defense Department is forgetting about it and forgetting about our allies and the importance, I think more now than ever, with this recent invasion of Crimea by the Russians.

There is, I think, some assumption by some folks within DOD that we were assuming that subs would never be back in the Atlantic, and I just think that was shortsighted. And I think we are starting to see that now, as we look at one of the most explosive places today on the globe and hotspots is in, not only North Africa, but also West and Central Africa. And that is an area that is continuing to explode. The best spot we have to both police the Atlantic Ocean and to get assets into Africa is the Lajes Air Base.

And one of the issues that I want the committee to be aware of is that, you know, we have spent \$150 million there over the last decade. And I think both of you probably have had a chance over the years to be on this air base, but it is really a Taj Mahal of air bases. I mean, it is practically all brand-new.

And for our Defense Department, when we are sitting on roughly 30 bases in Europe, to put this one on the chopping block is—I think that if the American taxpayer really knew about this and really knew what existed in Europe, I think they would have a big problem with it.

And that is why I am here to—I think this committee recognizes that, and I know that you have been supportive in the past. And we are looking and trying to work as closely as we can with the Defense Department to try to fix this long-term so that we don't lose a strategic asset or waste hard-earned taxpayer dollars.

And I will answer any questions.

Mr. FRELINGHUYSEN. Well, thank you. And your statement will be in the record.

You know, I echo your sentiments. It is an incredibly important asset and gives us an ability to turn around and do some things in parts of the world, especially on the African continent, that otherwise we might not be able to do from another location.

Mr. VISCOSKY. I would simply say I think you do make a compelling case, and I do appreciate your persistence on the issue very much and your time today.

Mr. FRELINGHUYSEN. Thank you very much.

Mr. NUNES. Well, thank you for allowing me to speak.

Mr. FRELINGHUYSEN. Thank you.

[The written statement of Congressman Nunes follows:]

Testimony for Defense Approps

I would like to begin by thanking the committee for its support last year in keeping Lajes Field as a strategic operational asset for the nation. And to that end, I request that the committee continue that effort by preventing any funds in the Fiscal Year 2015 Defense Appropriations from being allocated to reduce force structure at Lajes.

The base's strategic location has enhanced the United States' control of the Atlantic since World War II. It allows for U.S. access to Europe, the Middle East, and western and sub-Saharan Africa, and enables the expeditionary movement of warfighters, aircraft, ships, and global communications to AFRICOM and CENTCOM's joint, coalition, and NATO operations.

It is also a vital site for countering a major regional threat, al-Qaeda in the Islamic Maghreb, which has known ties to al-Qaeda in the Arabian Peninsula and other violent groups. Furthermore, Lajes is well-positioned to act as a logistical hub not only for the Defense Department, but also for USAID, the State Department, and other agencies.

This committee has invested nearly \$150 million in housing, security, and other infrastructure upgrades over the past 12 years to provide Lajes with modern capabilities and amenities. Alarming, the Air Force has been systematically downsizing at Lajes and reducing personnel there in direct contradiction of Congressional direction and intent. I have no doubt that we will lose this asset forever if these reductions continue.

Russia's invasion of Crimea shows that even in Europe, sudden destabilizing events – including the outbreak of war – are a real possibility, not some archaic theory from a bygone age. Now more than ever, we must counter the threat that Russia, China, or some other bad actor could outflank us in the Atlantic.

Losing Lajes intensifies this threat. Keeping Lajes diminishes it.

Thank you for your time today. I'd be happy to answer any questions you have.

Mr. FRELINGHUYSEN. Mr. Ron Barber from Arizona. Thank you for being with us. Thanks for your patience.

SUMMARY STATEMENT OF CONGRESSMAN BARBER

Mr. BARBER. Thank you, Mr. Chairman. I appreciate the opportunity to be with you this morning.

I think we all know that the Department of Defense's budget proposals, while trying to deal with a budget problem of serious impact, will, I think, if they are all adopted, the proposals will seriously compromise our national security. And I appreciate the opportunity to talk with you today about one specific proposal which I think is deeply troubling.

I am going to talk about the proposal in the Department of Defense budget that has to deal with the divestment of the A-10 Thunderbolt. This is an aircraft that flies in Afghanistan. It is available in South Korea. It is one of the most effective close air support fighters that we have.

As you know, the President's budget calls for the divestment of the entire A-10 fleet, beginning in fiscal year 2015. And if this proposal is adopted, I believe it will create a serious gap in close air support and the A-10's other support missions, important missions that provide highly effective support to our ground troops.

I was in Afghanistan just 2 weeks ago talking with our troops, and they say they love it when the Warthog is overhead because they know their day is going to get a bit better.

It may be ugly, as some have said, but regardless of its look, it is a solid and reliable airframe that is easily sustained at a very low cost. And I think that is an important point.

At its core, the A-10 represents a proven aircraft of unmatched survivability, maneuverability, and lethal armaments that is only surpassed by the deeply ingrained close air support culture and expertise of those pilots who fly it. There is no other fixed-wing aircraft, Mr. Chairman, that provides as proficient a service as the A-10 in conducting visual support operations below a 1,000-foot ceiling, while being able to effectively target the enemy. As I mentioned, our experience in Iraq and Afghanistan clearly demonstrates the A-10's well-documented capability to operate in rugged environments.

The Air Force has argued that other platforms in its inventory can replace the close air support capabilities of the A-10, and I would respectfully disagree. While the F-15, the F-16 and B-1 and the B-52 are very effective aircraft that are important components of our inventory, none of these platforms can fully replace the capabilities of the A-10.

The A-10 flies low; it flies slow. Its armored hull allows it to be engaged on a battlefield faster and lighter than higher-altitude flying fighters. Closer communication with ground forces makes the A-10 close air support more accurate and lethal.

On Wednesday, General Scaparrotti, the Commander of U.S. forces in Korea, testified in the Armed Services Committee that, as an infantryman, he has benefited from the close air support the A-10 provides in combat and believes it is important in the Korean Peninsula.

Additionally, General John Campbell, Vice Chief of Staff of the Army, testified in the Senate Armed Services Committee, saying, commanding the 101st in Afghanistan, “We had an A-10 capability come in and provide close air support to our soldiers. It was a game-changer.”

In recent years, the Congress has approved over a billion dollars in upgrades for the A-10—new wings, new electronic packages, new helmets—that make it a very modern aircraft with at least 15 to 20 years more of service. It would be, I think, a waste of taxpayer money to divest after such a strong investment.

I urge you, Mr. Chairman and Ranking Member, to consider funding the A-10’s mission so that we can most effectively protect our troops in combat and avoid the capability gap. Until that gap is closed, we simply cannot adequately support our troops on the ground.

Now, people say we are getting out of Afghanistan, we are not going to have a ground war, but this is a troubled world; Crimea, South Korea, all across the globe we are facing enemies, and we may end up having to protect our troops on the ground. The A-10 is the best fighter that we have available to do so, and I appreciate your opportunity to speak about it today. Thank you Mr. Chairman.

Mr. FRELINGHUYSEN. I appreciate your being here, and you have highlighted some things that are important, I think, to all of us.

Mr. BARBER. Appreciate it. Thank you very much.

Mr. FRELINGHUYSEN. Thank you.

[The written statement of Congressman Barber follows:]

Congressman Ron Barber
Testimony before Defense Subcommittee on Appropriations
April 4, 2014

Mr. Chairman, thank you for the opportunity to testify today on a matter of deep importance to our national defense. As your subcommittee works on the Fiscal Year 2015 Defense Appropriations legislation, I urge you to include sufficient funding to keep the A-10 Thunderbolt flying and continue the operation, maintenance, and training of A-10 pilots within the United States Air Force, both active duty and reserve.

As you know, the President's Budget calls for the divestment of the A-10 fleet beginning in fiscal year 2015. If this proposal is adopted it will create a very serious gap in close air support and the A-10s other important missions that provide highly effective support to our ground troops.

The Warthog may be, as some have said, a bit ugly. But, regardless of its looks it is a solid and reliable airframe that is easily sustained at a low cost.

At its core, the A-10 represents a proven aircraft of unmatched survivability, maneuverability, and lethal armaments that is only surpassed by the deeply-ingrained close air support culture and expertise of its pilots.

No other fixed-wing close air support airframes are as proficient as the A-10 in conducting visual support operations below 1000 foot ceilings while being able to effectively target the enemy.

Our experience in Iraq and Afghanistan clearly demonstrates the A-10s well-documented capability to operate in rugged environments with low visibility while still providing effective close air support.

The Air Force would argue that other platforms in its inventory can replace the Close Air Support capabilities of the A-10.

While, the F-15, F-16, B-1, and B-52 are incredibly effective aircraft that are important components of the Air Force inventory, none of these platforms can fully replace the capabilities and focus of the A-10 in many Close Air Support situations.

The A-10's low altitude, slow flying speeds, and armored hull allow it to be more engaged on the battlefield than other faster, lighter, and higher altitude flying fighters.

Closer communication with ground forces makes the A-10's close air support more accurate and lethal. Further, the A-10 provides our men and women in uniform with added peace of mind as it stays close in sight and overhead.

On Wednesday, General Scaparotti, the commander of US Forces Korea testified in the House Armed Services Committee that as an infantryman he has benefited from the close air support the A-10 provides in combat, and that the airframe is an important tool in his area of responsibility due to the terrain in the Korean peninsula.

Additionally, General John Campbell, Vice Chief of Staff of the Army testified in the Senate Armed Services Committee by saying, and I quote:

"Commanding the 101st in Afghanistan, we had A-10 capability come in and provide close air support to our soldiers in very bad terrain. What I think the soldiers on the ground, both the special operators and conventional forces, would tell you it's a game changer."

In recent years, Congress has approved the investment of significant resources to modernize the A-10 fleet – including state-of-the-art cockpit displays, digital data links, advanced targeting pod integration, full laser and GPS guided munitions integration, and the best integrated threat countermeasures.

These modernization efforts will help ensure that the A-10 can continue to provide one of a kind close air support for many years to come. A divestment of the A-10 would represent an irresponsible waste of the tax dollars that we have invested in the A-10 and would disregard congressional intent.

As the Department of the Air Force looks for ways to accommodate the budget cuts under the Budget Control Act, it is imperative that decisions are made with the needs of our ground troops and national security foremost in mind.

I urge you to sufficiently fund the A-10 mission so that we can most effectively protect our troops in combat and avoid a capability gap before our next generation of fighters is sufficiently fielded.

Until then, we simply cannot adequately support the warfighters we have on the ground without the A-10.

Thank you for your time and I yield back.

Mr. FRELINGHUYSEN. Mr. Hudson, from the great State of North Carolina, thank you for being with us. Thanks for your patience. I know you have been here for a while, but we are trying to stay on schedule and give Members an opportunity to talk about what is important to them.

Thank you, all of you, for taking the time to be here.

SUMMARY STATEMENT OF CONGRESSMAN HUDSON

Mr. HUDSON. Thank you, Mr. Chairman and Mr. Ranking Member, for providing this opportunity. And I want to thank you and the subcommittee for all the hard work you do protecting our warfighters and providing the funding and tools that they need to do the job. I applaud the bravery and sacrifice of our men and women in military.

As I travel around the communities in North Carolina, Fort Bragg is on the edge of my district. People consistently tell me their number one priority is to fiscal responsibility, restraining spending, forcing Washington to live within its means; and accordingly, I am committed to cutting spending, to reducing the size of government, promoting economic growth, putting our budget back in balance, and sometimes that means holding departments and agencies accountable, and that is why I chose to appear before you today to talk about one particular issue.

As the Army embarks on a new plan to replace the M113 armored personnel carrier, a series of vehicles that have been in service for over 50 years. I believe it is important for this committee to ensure proper oversight given the series of setbacks in recent years to combat vehicle programs.

As you know, the Army's newest approach is called the Armored Multipurpose Vehicle, or AMPV. There have been active studies ongoing for some time on determining the appropriate replacement. In 2008, the Army came to the conclusion that a mixed fleet of modified Bradleys and Strykers would be the ideal replacement for the M113. As opposed to a one-size-fits-all approach, a mixed fleet makes the most economic sense as it leverages existing programs and allows the vehicle best suited to a particular mission to be utilized.

Strykers provide speed, stealth and protection in a variety of roles, while tracked vehicles like the Bradleys can address the small amount of terrain that is too extreme for a wheeled vehicle to operate in.

The AMPV program was out of the spotlight for a while because of the Army's focus on the Future Combat Systems, the Ground Combat Vehicle. Both the FCS, cancelled in the 2009, the Ground Combat Vehicle, recently terminated after billions of dollars were invested in the programs, in both cases the Army recommended a two-manufacturer approach to development and production. This allows a greater variety of designs and encourages competition, which we all know drives prices down. Furthermore, it ensures our troops deploy with the best equipment for the job.

With the AMPV as the only Armored Combat Vehicle program remaining, I would hope the Army will continue to utilize the multimanufacturer approach. Unfortunately, the most recent RFP by the Army for the MPV runs counter to this practice and makes

clear that a tracked vehicle such as the Bradley is the only solution it intends to accept. Any competitor that would offer an opposing design will find the Army has not provided sufficient data or time for other companies to compete for a tracked vehicle.

I believe Congress should not fund a noncompetitive solution for AMPV and should require the Army to develop an acquisition plan in order to leverage the advantages of a mixed fleet. A mix of vehicles, such as the Stryker and the Bradley, is likely to be a more cost-effective solution, and that can be fielded actually more rapidly.

Strykers are currently the largest combat vehicle fleet in the Army and have found broad support for mix of speed, low operational cost per mile, and resistance to improvised explosive devices. Bradleys, meanwhile, continue to offer complete off-road ability and additional protection for direct engagement, but a mix of these two vehicles would continue to be evaluated, in my opinion, and considered by the Army as it leverages the best of both types of vehicles in their quest to replace the Vietnam-era M113s.

I hope the subcommittee will encourage the Army to fully evaluate and consider both situations at hand instead of viewing the competing contracts as mutually exclusive. I hope the committee will consider a plan that places the best equipment for the job on the field. If the military can demonstrate to the subcommittee they are on the right path, then they can and should move forward with their current plan, but I believe a fair analysis that acknowledges the cancellation of the Ground Combat Vehicle and the role it was to play will recognize the benefits of pursuing a mixed fleet solution.

I thank the Members for their time and consideration in this request and, again, appreciate your commitment to hearing from Members.

Mr. FRELINGHUYSEN. We thank you for your time, and I can assure you our committee is taking a very close look at the progress on this program.

Mr. HUDSON. Great. Thank you.

Mr. VISCLOSKY. Appreciate your emphasis on competition.

Mr. HUDSON. Yes, sir.

Mr. FRELINGHUYSEN. Thank you.

[The written statement of Congressman Hudson follows:]

Richard Hudson (NC-08)

Chairman Frelinghuysen, Ranking Member Visclosky, I want to thank you and this subcommittee for the opportunity to testify on the FY15 Defense Appropriations bill.

I continue to appreciate the hard work that you all do every day to provide the funding and tools our men and women in uniform need to do their jobs and safely return home to their families. I applaud the bravery and sacrifice our military men and women make each and every day.

As I travel around communities in North Carolina, people consistently tell me that their number one priority is restoring fiscal responsibility, and that they sent me to Washington to force the government to live within its means.

Accordingly, I am committed to cutting spending, reducing the size of government, promoting economic growth, and putting our budget on a path to balance. Sometimes this means holding Departments and

Agencies accountable, and that is why I choose to appear before this subcommittee today.

As the Army embarks on a new plan to replace the M113 armored personnel carrier, a series of vehicles that have been in service for over fifty years, I believe it is important for this committee to ensure proper oversight given the series of setbacks in recent years to combat vehicle programs.

As you know, Army's newest approach is called the Armored Multi-Purpose Vehicle, or AMPV, and there have been active studies ongoing for some time on determining an appropriate replacement. In 2008, the Army came to the conclusion that a mixed fleet of modified Bradleys and Strykers would be the ideal replacement for the M113.

As opposed to a one size fits all approach, a mixed fleet makes the most economic sense as it leverages existing programs and allows the vehicle best suited to a particular mission to be utilized.

Strykers provide speed, stealth, and protection, in a variety of roles while tracked vehicles like Bradleys can address the small amount of terrain that is just too extreme to get a wheeled vehicle through.

The AMPV program was out of the spotlight for a while, as the Army focused on the Future Combat System and Ground Combat Vehicle. FCS was cancelled in 2009 and the Ground Combat Vehicle was recently terminated after billions of dollars were invested in the programs. In both cases the Army recommended a two manufacturer approach to development and production. This allows a greater variety of designs and encourages competition to drive prices down.

Furthermore, it ensures that our troops deploy with the best vehicle for the job.

With the AMPV as the only armored combat vehicle competition remaining, I had hoped that the Army would continue to utilize the multi-manufacturer approach. Unfortunately, the most recent Request for Proposal (RFP) by the Army for AMPV runs counter to this practice

and instead makes clear that a tracked vehicle, such as the Bradley, is the only solution that it intends to accept. Any competitor that would offer an opposing design will find that the Army has not provided sufficient data or time for other companies to compete.

I believe Congress should not fund a non-competitive solution for AMPV and should require the Army to develop an acquisition plan in order to leverage the advantages of a mixed fleet. A mix of vehicles, such as the Stryker and Bradley, is likely to be a more cost-effective solution that can be fielded rapidly.

Strykers are currently the largest combat vehicle fleet in the Army, and have found broad support for their mix of speed, low operational cost per mile, and resistance to improvised explosive devices. Bradleys meanwhile continue to offer complete off road ability and additional protection for direct engagement. A mix of these two vehicles should continue to be evaluated and considered by the Army as it leverages the

best of both types of vehicles in their quest to replace the Vietnam-era M113.

I hope the subcommittee will encourage the Army to fully evaluate and consider both solutions at hand. Instead of viewing the competing contract as mutually exclusive, I hope they will consider a plan that places the best equipment for the job on the field. If they can demonstrate to the subcommittee they are on the right path, then they can and should move forward with their current plan.

However, I believe a fair analysis that acknowledges the cancellation of the Ground Combat Vehicle and the role it was to play will recognize the benefits of pursuing a mixed fleet solution.

I thank the Members for their time and their consideration of this request.

Mr. FRELINGHUYSEN. Gentleman from Florida Mr. DeSantis. Thanks so much for being here. Thank you, also, for your Navy service.

SUMMARY STATEMENT OF CONGRESSMAN DESANTIS

Mr. DESANTIS. Well, thank you, Mr. Chairman, Ranking Member. I know you guys are very busy, so I really appreciate you having me and giving me some time.

I am here to talk about the E-2D Advanced Hawkeye, which, as you know, is the Navy's carrier-based Airborne Early Warning and Battle Management and Control System. As the fiscal year 2015 budget request is considered, I ask that you support the E-2D program as well as and additional fifth E-2D Advanced Hawkeye aircraft.

The E-2D is equipped with new cutting-edge communications capabilities and radar systems. These advancements enable the E-2D to synthesize information from multiple onboard and offboard sensors to provide increased missile protection to our carrier defense groups, while also improving the aircraft's offensive capabilities, which are key to supporting our combatant commands.

The addition of the fifth E-2D aircraft in fiscal year 2015 is necessary for providing carrier strike groups with the E-2D's advanced Integrated Air and Missile Defense capabilities to pace the rapidly-evolving Pacific threat. Without this fifth aircraft, a carrier will be forced to deploy with the less-advanced E-2Cs, preventing carriers from having the additional and considerable capability that E-2Ds bring against multiple threats. Furthermore, additional funding would be needed to keep multiple variants of the Hawkeye in service longer.

This program is critical for our Navy and our military. One of our colleagues, Congressman Jim Bridenstine from Oklahoma, is himself an E-2 pilot, and he puts it this way, quote, "Given the threat to strike groups, multiyear procurement of E-2D is absolutely necessary. The only question is are we purchasing enough E-2Ds and missile interceptors to counter the high volumes of incoming missiles that our soldiers and sailors could face," end quote.

The program has met every major milestone on schedule since the program's inception in 2003. As the program moves forward, full funding for the E-2D as well as funding for a fifth aircraft ensures that carrier air wings will fully realize the capability provided by the state-of-the-art early warning and battle management command and control weapons system.

The role technology plays in modern warfare is extremely important, and the technological advances of the E-2D will ensure that our military maintains its critical edge. Your support for the Navy's E-2D Advanced Hawkeye program in the fiscal year 2015 budget and an additional fifth aircraft is essential to maintaining the safety of our carriers in a changing environment where we are facing new threats.

As an appendix to my submitted written testimony, I have attached an April 2 letter from myself, Representative Bridenstine, Representative Brown, Representative Brownley, Representative Carson, Representative Posey and Representative King in support of the E-2D program.

Thank you again for having me today, and I appreciate the support that this committee provides to our war fighters.

Mr. FRELINGHUYSEN. Thank you. And thank you for your service. That letter will be part of the record, as well. Thank you very much for your time this morning.

[The written statement of Congressman DeSantis follows:]

Testimony of Congressman Ron DeSantis (FL-6)**April 4th, 2014****House Appropriations Subcommittee on Defense**

Chairman Frelinghuysen, Ranking Member Visclosky, Members of the Subcommittee on Defense, thank you for having me here to testify today. I know this is a particularly busy period for this committee, and I appreciate your time and consideration.

I'm here to talk about the E-2D Advanced Hawkeye – which as you know is the Navy's carrier-based Airborne Early Warning and Battle Management Command and Control system. Variants of this aircraft have been serving our military well since the 1960's. As the FY15 Budget request is considered, I ask that you support the E-2D program as well as an additional fifth E-2D Advanced Hawkeye aircraft.

The E-2D is equipped with new, cutting edge communications capabilities and radar systems. These advancements enable the E-2D to synthesize information from multiple onboard and off-board sensors to provide increased missile protection to our carrier defense groups, while also improving the aircraft's offensive capabilities, which are key to supporting our combatant commands.

The addition of the fifth E-2D aircraft in FY15 is necessary for providing Carrier Strike Groups with the E-2D's advanced Integrated Air and Missile Defense capabilities to pace the rapidly evolving Pacific threat. Without this fifth aircraft, a carrier will be forced to deploy with the less advanced E-2C's, preventing carriers from having the additional capability that E-2D's bring

against multiple threats. Furthermore, additional funding would be needed to keep multiple variants of the Hawkeye in service longer.

This program is critical for our Navy and our military. As our friend, and E-2 pilot, Rep. Jim Bridenstine puts it:

“Given the threat to the strike groups, multiyear procurement of E2-D is absolutely necessary. The only question is, “Are we purchasing enough E-2Ds and missile interceptors to counter the high volumes of incoming missiles that our sailors and soldiers could face?”

The E-2D program has met every major milestone on schedule since the program’s inception in 2003. As the program moves forward, full funding for the E-2D, as well as funding for a fifth aircraft, ensures that carrier air wings will fully realize the capabilities provided by this state-of-the-art early warning and battle management command and control weapons system.

The role technology plays in modern warfare can never be discounted, and the technological advances of the E-2D will ensure that our military maintains its critical edge. Your support for the Navy’s E-2D Advanced Hawkeye program in the FY15 President’s Budget and an additional fifth aircraft is essential to maintaining the safety of our carriers in a changing environment where we are facing new threats.

As an appendix to my submitted written testimony, I've attached an April 2nd letter from myself, Rep. Bridenstine, Rep. Brown, Rep. Brownley, Rep. Carson, Rep. Posey, and Rep. King in support of the E-2D program.

Thank you again for having me here today and thank you for all you do for our warfighters and our country.

RON DeSANTIS
8TH DISTRICT, FLORIDA

COMMITTEE ON FOREIGN AFFAIRS
COMMITTEE ON OVERSIGHT AND
GOVERNMENT REFORM
COMMITTEE ON THE JUDICIARY

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April 2, 2014

The Honorable Rodney Frelinghuysen
Chairman
House Appropriations Subcommittee
on Defense
2306 Rayburn House Office Building
Washington, DC 20515

The Honorable Peter Visclosky
Ranking Member
House Appropriations Subcommittee
on Defense
2256 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Frelinghuysen and Ranking Member Visclosky:

As you consider Fiscal Year 2015 appropriations for the Department of Defense, we ask that you support the FY15 President's Budget request for E-2D and an additional fifth E-2D Advanced Hawkeye (AHE) aircraft. FY15 is the second year of a planned five-year fixed-price Multi-Year Procurement (MYP), which will provide the Navy with significant savings over annual single-year contracts. The addition of the fifth aircraft in FY15 is needed to provide Carrier Strike Groups with the E-2D's advanced Integrated Air and Missile Defense (IAMD) capabilities to pace the rapidly evolving Pacific threat. Carriers will deploy with five E-2D aircraft per squadron. Without this fifth aircraft in FY15, a carrier will be forced to deploy with E-2C's, instead of the newer E-2D's. Delayed introduction of E-2D will require additional funding to maintain multiple variants of the Hawkeye in service longer. It also means carrier groups deploy without the additional capability E-2D's bring against multiple threats. We represent constituents across the country who engineer, manufacture, maintain, operate and depend upon the E-2D system.

As you know, E-2D is the Navy's carrier-based Airborne Early Warning and Battle Management Command and Control (BMC2) system. The E-2D provides Theater Air and Missile Defense, synthesizing information from multiple onboard and off-board sensors, making complex tactical decisions, and disseminating actionable information to Joint Forces in a distributed, open-architecture environment. Using the newly-developed radar, the E-2D works with surface ships and tactical aircraft to provide force protection and allow the Navy to project forces into the littorals and overland to ensure access in contested areas. The Naval Integrated Fire Control-Counter Air (NIFC-CA) allows the Navy to defeat threats in challenging environments.

The E-2D program, which is currently in production and development, has met every major milestone on schedule and cost target since the program's inception in 2003. Full funding for the E-2D in FY15, as well as funding for a fifth aircraft ensures that the carrier air wings will fully realize the capabilities provided by this state-of-the-art early warning and battle management command and control weapons system.

As we continue to deal with significant fiscal constraints and have to make hard choices, one thing remains true today: The E-2D is critical to national security in an ever dangerous world, and there is no substitute. No matter what decision is made with the George Washington's refueling and the total number of carriers in the fleet, we will need the E-2D to protect those Carriers. It is truly critical to the survivability and lethality of the Carrier Battle Group, especially as the United States refocuses on the Pacific.

Your support for the Navy's E-2D Advanced Hawkeye program in the FY15 President's Budget and an additional fifth aircraft is essential to providing the Navy with this critical airborne electronic attack capability at a significant cost savings.

Thank you for your consideration of this request and your support for our men and women in uniform.

Sincerely,



RON DESANTIS
Member of Congress



JIM BRIDENSTINE
Member of Congress



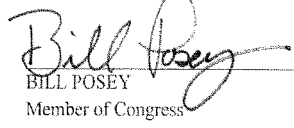
CORRINE BROWN
Member of Congress



JULIA BROWNLEY
Member of Congress



ANDRE CARSON
Member of Congress



BILL POSEY
Member of Congress



PETER KING
Member of Congress

Mr. FRELINGHUYSEN. Representative Hanabusa from the Aloha State, welcome. How nice of you to be with us. You may be batting cleanup, I don't know.

Ms. HANABUSA. But then I hope I say the most important thing.

Mr. FRELINGHUYSEN. We will be listening carefully. Thank you.

SUMMARY STATEMENT OF CONGRESSWOMAN HANABUSA

Ms. HANABUSA. Mr. Chairman, Mr. Ranking Member and anyone else who is listening, thank you for the opportunity to testify about the defense programs that are very important to my home State of Hawaii.

I have been always a fierce advocate of the Obama administration's rebalance to the Asia-Pacific. I believe it is vital to the future policy and priorities of the United States that we remain committed to this pivot, or rebalance, or recalibration, however you want to call it. And there are many critical programs in this shift that I would like to take a moment to highlight.

First of all, I would like to say that I do support the request for the steady 2-year production of the *Virginia* Class submarines. Sustaining a 2-year build rate is not only vital to mitigating the shortfall of our attack submarine force in the next decade, but also will continue to leverage critical savings and efficiencies in building these advanced platforms.

I do want to share a story with you. As many people may know, Senator Inouye was a great friend and mentor of mine. He would always tell me, you know, he says, after World War II, he says, the United States ruled the seven seas. He said if we are 20 percent of it now, that is saying a lot. He said, but, he says, remember always, the United States will always rule the deep blue sea, and no one will ever come near us on that.

And this program is one that continues that, and truly, as you look at the pivot to Asia-Pacific and what is going on, it is very clear that the one area that no one will ever touch us in is in our deep blue sea technology. In that vein, the undersea capabilities that play a critical role, I would like to encourage the funding of defense research that would basically allow us to bury undersea cables beneath the seabed, and that really helps in the significant increase in our mission effectiveness and cost savings to the Navy in the long run for that information.

I also believe, when you think about how large the Pacific is, 53 percent of the Earth's surface is PACOM AOR, but someone explained it to me like this, and I had never thought of this: If you were to take all the land masses, PACOM's AOR land masses, only 17 percent of that 53 percent. But if you were to take the Pacific, and you put every land mass on this world in the Pacific, there would still be room for another Africa and another North America. That is how large that sea is or that ocean is that comprises the PACOM AOR.

So the shipbuilding budget, of course, is also critical and must be fully resourced. And I do appreciate the inclusion of funding for the basically buying of two destroyers as one additional Afloat Staging Base. That is going to be the method that we are in the Pacific, by the afloat type and the rotational-base structure that we are using. We are not going to base in a traditional sense ever

again, I believe, in the Pacific, notwithstanding the rotational structures that is found in Darwin, Singapore, is going to be the way of the future, and I think the float staging is a critical component of that.

The ships, of course, are necessary to maintain our presence. I would like to say that in testimony recently received by Admiral Locklear after the budget dropped, he said that he is completely undersourced in the Pacific, and in that vein, I do not believe that we should support the, quote, "modernization," which really is mothballing of the 11 cruisers.

As my discussions with Admiral Walsh in one of his testimonies before us was, he is very clear, especially the South China Sea, it is an LCS-related entity. That is how they are going to be there. We have a clear reduction in that number from 52 to 32; however, what is necessary to make that effective is the cruisers, because LCSs are shore, but we do need the fleet out in the ocean, and therefore we should not cut our—really our readiness posture by retiring or mothballing or however you want to call it, but those 11s are intended for that.

Both Secretary Hagel as well as Martin Dempsey, the Chief of the Army chiefs, have talked about the increased risk that we have taken on. And, of course, they have said that in the budget structure that we are in and the budget that they propose, it is not the military that they want, and it is not a military that they really believe is going to be ready.

I would also like to ask the consideration that we not cut assets like the Maui Space Surveillance Complex and the High Performance Computing Center. Those are really necessary for our cyber defense as well, in particular.

And I would like the committee to consider including the 26.1 billion in defense funding that is proposed in the Opportunity, Growth and Security Initiative, the OGSi, and if there is a way to fund that, we can really then create the necessary readiness posture and force structure that we need in the Asia-Pacific.

Asia-Pacific is where, I believe, the 21st century will be defined by. It is very important, of course, to my home State, because as then-Secretary of State Hillary Clinton said, Asia-Pacific is going to be what defines the 21st century, but, of course, Hawaii is the gateway to the 21st century.

And I would also like to plug the fact that we are probably the best thing that the United States ever did was when we became the 50th State. So I would like to ask all of your continued support in keeping us viable, the most forward and the most critical for this country as we pivot to Asia-Pacific and our role in the Pacific arena.

Thank you very much, and if there is any questions—

Mr. FRELINGHUYSEN. We thank you for your very eloquent testimony and for the good geography lesson which, from your perspective, you know particularly well. The Asia-Pacific and PACOM, a huge amount of territory to cover. Thank you so much on all of our behalf.

[The written statement of Congresswoman Hanabusa follows:]

Member Testimony
Representative Colleen Hanabusa (HI-01)
House Appropriations Committee
Subcommittee on Defense
10:05 a.m. – 5 mins

Chairman Frelinghuysen, Ranking Member Visclosky, and distinguished Members of the Subcommittee; thank you for the opportunity to testify about defense programs that are vital to my home-state of Hawaii.

I have been a fierce advocate for the Obama Administration's rebalance to the Asia-Pacific. I believe this to be vital to the future policy interests of the United States, and as such remain committed to priorities within the defense budget that will support this shift in our foreign policy and military posture. There are many critical programs in this shift, and I would like to take a moment to highlight a few.

I fully support the President's request to fund the steady two-a-year production rate for the Virginia Class Submarine program. Sustaining the two-a-year build rate is not only vital to mitigating the shortfall in our attack submarine force in the next decade, but will also continue to leverage critical savings and efficiencies in building these advanced platforms.

With undersea capabilities playing a central role in our national security strategy, I believe that defense research funding this year can continue to produce advantages by developing technology that is capable of covertly burying undersea cables beneath the seabed, which will result in a significant increase in mission-effectiveness and cost-savings to the Navy for such operations.

I believe that the shipbuilding budget should be fully resourced, and appreciate the inclusion of funding that continues buying two destroyers as well as one additional Afloat Staging Base this year. These ships will be critical to maintaining a presence in the U.S. Pacific Command Area of Responsibility, which encompasses 53% of the earth's surface.

With commitment to our allies in the Asia-Pacific region essential at this point in time, I believe funding projects that will increase the ability to project a presence in the region are of the utmost importance.

With that said, I remain concerned about the effects that policies put in place by Congress like sequestration will have on our ability to meet the priorities outlined in the latest defense guidance. I have remained steadfast in my opposition to the mindless cuts from sequestration, and believe that a bipartisan effort needs to be made to fully repeal this provision, rather than piecemeal solutions that restore smaller pieces of funding. One of the reasons I was opposed to the budget deal back in January was because it left intact more than \$75 billion in defense cuts, while cutting billions more to other important domestic programs.

Something that we have heard over and over again from officials testifying and committee leadership on both sides of the aisle was that the FY15 defense request produced by Department of Defense is a result of the constraints set by the Bipartisan Budget Act. I knew it would produce a budget that had significant negative impacts to the state of Hawaii and result in increased risks and challenges to our national security.

Defense Secretary Hagel and Chairman of the Joint Chiefs of Staff General Martin Dempsey have talked about the increased risk that we take on through readiness and capability as a result of the cuts that must be made in the areas of defense with these budget numbers. This may hamper our readiness and capability, and could compromise our nation's security.

Another concern with this request is the reductions to programs that fall within the U.S. Pacific Command's area of responsibility are inconsistent with our nation's stated goal of a rebalance to the Asia Pacific region. At a time when Admiral Locklear has stated that he already cannot meet the demands of the Pacific with the existing fleet, the proposal to mothball 11 cruisers will only exacerbate the existing shortfalls in the Navy. Program cuts to assets like the Maui Space Surveillance Complex and Maui High Performance Computing Center are all inconsistent with our national defense strategies.

I believe that it should be a priority of the Committee to include the additional \$26.1 billion in defense funding proposed in the Opportunity, Growth, and Security Initiative, which would restore many of the cuts that run contrary to supporting the rebalance to the Asia-Pacific. This additional funding proposed by the Department of Defense is fully offset by proposals within the President's budget. Some of these offsets are more popular than others, but if we are going to provide the resources to fund the defense budget we need to ensure our national security, all of us will have to compromise somewhere.

Thank you for the opportunity to testify today, and I look forward to working with you in the future on our nation's defense priorities.

Mr. VISCLOSKY. Thank you very much.

Mr. FRELINGHUYSEN. I believe this does conclude our open hearing for Members, and appreciate all the staff assistance. And whatever we need to put in the record that is submitted, we will do that within the allotted time. And we stand adjourned until April 8. Is that right? April 8. Thank you.

Mr. VISCLOSKY. Thank you, Mr. Chairman.

WEDNESDAY, MARCH 26, 2014.

U.S. PACIFIC COMMAND/U.S. FORCES KOREA

WITNESSES

ADMIRAL SAMUEL J. LOCKLEAR III, USN, COMMANDER, UNITED STATES PACIFIC COMMAND

GENERAL CURTIS M. SCAPARROTTI, COMMANDER, UNITED NATIONS COMMAND, COMMANDER, UNITED STATES-REPUBLIC OF KOREA COMBINED FORCES COMMAND, AND COMMANDER, UNITED STATES FORCES KOREA

OPENING STATEMENT OF CHAIRMAN FRELINGHUYSEN

Mr. FRELINGHUYSEN. The meeting will come to order. I would like to recognize the ranking member for a motion.

Mr. VISCLOSKY. Mr. Chairman, I move that those portions of the hearing today which involve classified material be held in executive session because of the classification of the material to be discussed.

Mr. FRELINGHUYSEN. So ordered. Thank you, Mr. Visclosky.

This afternoon, the committee will hold a hearing, a closed hearing, I may add, just for the record, on the status of the United States Pacific Command, United States Forces Korea, we are pleased to welcome Admiral Samuel J. Locklear, U.S. Navy Commander, United States Pacific Command; and General Curtis M. Scaparrotti, Commander, United Nations Command; Commander, United States-Republic of Korea Combined Forces Command, and Commander, United States Forces Korea

Admiral, welcome back, and thank you for your service. You have been in command for over 2 years and you bring a wealth of knowledge to this hearing. We look forward to your views on a broad variety of topics in the Pacific area.

General Scaparrotti, welcome to the Committee on Defense. Thank you for your service. We look forward to your candid assessment of what is going on in the Korean Peninsula. As everyone is aware, last year General James D. Thurman was our commander on the peninsula and he was asked by President Obama to stay close to home in Korea until the situation calmed down. General, we are happy that the situation today permits you to be here with us. However, we are reminded that we can never be completely sure what happens next in Korea, or for that matter, in Taiwan, or in the Taiwan Straits or in Indonesia.

As our forces in Afghanistan return home, and services downsize to a peace-time structure, we are aware that China is modernizing its armed forces, and will have more ships that are significantly improved over earlier versions, including submarines and an aircraft carrier.

Long-standing disputes over territory could bubble to the surface with little or no warning as we have seen. The recent Russian an-

nexation of Crimea may encourage similar actions in the Pacific AOR. The pivot to the Pacific, some might say rebalance in the Pacific, will involve shifting as much as 10 percent of our Navy's warships in the Pacific AOR; however, some of the Army's increases in military assets rotate forward into the Pacific to train, but will actually be based in the Continental United States.

While discussing readiness, the committee is not convinced by catchy slogans. A force that is smaller but more agile is still smaller. Whether or not the force is adequate and how much risk is being taken requires a judgment of experts, which is why we have asked you to be here today to help sort all of this out as distinguished field commanders.

One more topic we must discuss, and about which we want you to understand our position. Sexual assault will not be tolerated. It must be addressed in training and policy, and disciplinary action. Leaders of all ranks must lead by an example, and improper conduct may be dealt with swiftly with punishment that fits the crime.

Gentlemen, before we get to your opening statements in a minute, but before we do, Admiral, perhaps you could update us very briefly on your involvement and those under your command for the missing jetliner?

Mr. VISCLOSKY. Mr. Chairman?

Mr. FRELINGHUYSEN. Yes, Mr. Visclosky.

Mr. VISCLOSKY. Before the Admiral starts, I just was remiss in my motion not to remind members that the map that has been provided to us is classified. But secondly, if I could just add to the chairman's statements. This is a closed hearing, gentlemen, and I think it would be very helpful to us as far as our future considerations is if you could be as candid as possible, and as frank as possible, because it is a closed hearing, not a public hearing.

Thank you, Mr. Chairman.

Mr. FRELINGHUYSEN. Thank you, Mr. Visclosky. Admiral, welcome.

[The written statement of Admiral Locklear follows:]

HOUSE APPROPRIATIONS COMMITTEE

STATEMENT OF
ADMIRAL SAMUEL J. LOCKLEAR III, U.S. NAVY
COMMANDER, U.S. PACIFIC COMMAND
BEFORE THE HOUSE COMMITTEE ON APPROPRIATIONS - DEFENSE
ON U.S. PACIFIC COMMAND POSTURE
26 MARCH 2014

HOUSE APPROPRIATIONS COMMITTEE-DEFENSE

VS1

Chairman Frelinghuysen, Congressman Visclosky, and distinguished members of the Committee, thank you for this opportunity to present an update on the U.S. Pacific Command (USPACOM). I have had the privilege of leading soldiers, sailors, airmen and Marines for over two years in the Asia-Pacific and the Indian Ocean region; these young men and women are doing great things in support of the United States, allies and partners throughout a region critical to U.S. national interests. In concert with our allies and partners, USPACOM balances historical, geographic, and cultural factors against modern day political and economic events in an ever-evolving effort to manage friction and conflict in the most militarized region in the world. USPACOM's actions in our nation's rebalance toward the Asia-Pacific region are a visible and enduring demonstration of U.S. commitment to the region. Our actions are reflected in a continued and steady investment in forces, infrastructure, and engagement in the Indo-Asia-Pacific and are designed to defend the homeland, strengthen and modernize our alliances and partnerships, maintain our access to the global commons, deter aggression, and prevent the proliferation of weapons of mass destruction.

Security Environment

Since last year's testimony before this Committee, four critical leadership transitions have been completed, seven national elections were conducted on democratic principles, and the region is readying for free and open elections in two of the most populous countries on earth. When I last testified, Xi Jinping had just assumed the position as China's new President, completing the formal leadership transition in China. Since then President Xi put forward a comprehensive agenda of domestic, economic, and social reforms. In North Korea, Kim Jong Un is beginning his third year in power. The recent purge of his uncle, Chang Song-Taek and frequent reshuffling of military commanders suggest that the struggles between new and old guards are not fully resolved. To the

south, Republic of Korea (ROK) President Park Geun-Hye continues to strengthen the U.S.-ROK alliance and to maintain a path to peaceful reunification of the Korean peninsula. In Japan, Prime Minister Shinzo Abe implemented policies such as establishing a National Security Council and passing the Secrets Protection Act that allow it to better address the persistent and emerging security challenge of the next decade.

The last year saw elections in Australia, Bangladesh, Bhutan, Cambodia, the Maldives, and Mongolia. In Bangladesh and Cambodia, the results were strongly contested and are not fully resolved, creating uncertainty and political instability. A sharp political division continues in Thailand, despite new elections. Next on the horizon are important national elections in India in May and Indonesia in April and July. Burma continues to undergo its dramatic democratic and economic transition, including the release of over a thousand political prisoners and the possibility of a national ceasefire agreement.

The countries of the Asia-Pacific region are not only more stable politically; they are also more engaged in multilateral political organizations and economic institutions. A multilateral security architecture -- comprised of groups such as the Association of Southeast Asian Nations (ASEAN) and regional actors collaborating on issues ranging from humanitarian assistance to maritime security to counterterrorism -- is emerging to help manage tensions and prevent conflict. ASEAN has grown in this leadership role under Brunei's chairmanship in 2013, and hopefully has opportunities to grow even more under 2014 chairman Burma. We've seen encouraging examples of states using international fora to resolve disputes peacefully, such as the Philippines using the United Nations Tribunal on the Law of the Sea (ITLOS) to argue its case against China's territorial claims in the South China Sea, and Thailand's and Cambodia's pledge to abide by the International Court of Justice's recent decision in their long-standing border dispute.

Indo-Asia-Pacific economies increasingly drive the world economy. Forty percent of global economic growth is attributed to this region. Yet the area is still home to some of the most devastating poverty on earth. As with other parts of the world, the divide between “haves” and “have-nots” grows wider, leading to political and economic disenfranchisement and disturbing population shifts across borders. The International Organization for Migration estimates that 31.5 million people in Asia have been displaced due to economic disparities. These hardships are further aggravated by intense competition for natural resources. In an area home to more than half the earth’s population, demand for food, water, and energy is increasing. Friction caused by water shortages is evident between India and Pakistan, India and Bangladesh, and China and Southeast Asia. Much of the region is unable to adequately provide for their own food requirements, highlighting the need for stable, plentiful supplies through international commerce. The same is true for energy supplies. Disruption of these supplies or unexpected price increases quickly strain many governments’ ability to ensure their people’s needs are met.

North Korea: North Korea remains our most dangerous and enduring challenge. As many Indo-Asia-Pacific countries seek to achieve greater prosperity, improve compliance and adhere to regional and international law, and strive for stable relations, North Korea remains isolated and unstable. North Korea’s pursuit of nuclear weapons and ballistic missiles, in contravention of its international obligations, constitutes a significant threat to peace and security on the Korean Peninsula and in Northeast Asia.

During last year’s posture hearings, the region was in the middle of a North Korean “provocation campaign”—a calculated series of North Korean actions designed to escalate tensions and extract political and economic concessions from other members of the Six-Party Talks. This campaign began with a satellite launch, in December 2012, which was particularly concerning because

it violated UN Security Council resolutions and verified technology necessary for a three-stage Intercontinental Ballistic Missile (ICBM). North Korea continued its campaign through last spring. They conducted another underground nuclear test, threatened the use of a nuclear weapon against the United States, and concurrently conducted a mobile missile deployment of an Intermediate Range Ballistic Missile, reportedly capable of ranging our western most U.S. territory in the Pacific. Though we have not yet seen their “KN08” ICBM tested, its presumed range and mobility gives North Korea a theoretical ability to deliver a missile technology that is capable of posing a direct threat to anywhere in the United States with little to no warning. In addition, North Korea pledged to “readjust and restart” facilities at Yongbyon Nuclear Research Center – including the plutonium-production reactor that has been shut down for the past six years.

Consistent with previous provocation cycles, recently, North Korea then shifted to a more conciliatory approach and has expressed claimed that it is willing to talk to the United States either bilaterally or within the Six-Party Talks framework with no concrete steps towards required denuclearization obligations or even negotiate on the issue of denuclearization.

North Korea’s role in weapons proliferation remains troubling. North Korea continues to violate United Nations Security Council resolutions against selling weapons and weapon-related technologies around the globe. The July 2013 Panamanian confiscation of a North Korean ship loaded with fighter aircraft and other weapons from Cuba in direct violation of UN sanctions is one example. While it has become harder to sell to traditional customers such as Iran and Syria, North Korea is attempting to open new markets in Africa and South America. North Korea’s proliferation activities defy the will of the international community and represent a clear danger to the peace, prosperity, and stability of the Asia-Pacific region

Natural Disasters: The Indo-Asia-Pacific region is the world's most disaster-prone with eighty percent of all natural disaster occurrences. It contends with more super-typhoons, cyclones, tsunamis, earthquakes, and floods than any other region. This past year, a super typhoon hit the Philippines, severe flooding and a major earthquake in New Zealand, devastating flooding in India and Nepal, another earthquake in the Sichuan Province of China, and flooding and drought in the Marshall Islands. During Operation Damayan in the Philippines, we joined the Multi-National Coordination Center (MNCC) as an enabler to relief efforts coordinated by the Government of the Philippines, a testament to the importance of capability building initiatives and theater security cooperation. Our Center for Excellence in Humanitarian Assistance and Disaster Relief serves as a clearing house for information and best practices in disaster relief and supporting preparedness efforts throughout the region. We also stand ready to respond to the all too frequent vectors of disease that plague this region. Large populations, dense living conditions, and poor sanitary conditions in many Indo-Asia-Pacific nations create optimal conditions for the rapid spread of human- or animal-borne diseases. Regional information sharing and rapid response to health crises is improving, but the danger remains high.

Territorial Disputes: The primacy of economic growth, free trade, and global financial interdependency keeps outright inter-nation conflict at bay. The most likely scenario for conflict in this part of the world is a tactical miscalculation that escalates into a larger conflict. There is no more likely stage for this scenario than the complex web of competing territorial claims in the East and South China Seas. Competing territorial claims in East is a significant and growing threat to regional peace and stability. The use of Coast Guards and an implicit rule set imposed by Japanese and Chinese leadership signaled that neither country wants escalation. China's declaration in November of an Air Defense Identification Zone (ADIZ) in the East China Sea encompassing the Senkakus immediately

raised tensions. As Chinese and Japanese reconnaissance and fighter aircraft increasingly interact, and China flies unmanned aerial vehicles over the area the chances for miscalculation or misunderstanding remain high. USPACOM continues to watch this situation very closely.

Territorial disputes in the South China Sea are even more complex. No less than seven claimants have overlapping claims in this oil, gas, and mineral rich sea. By far the most excessive claim is China's, which extends to almost the entire South China Sea and includes other claimants' Exclusive Economic Zones in the region, up to and sometimes including the 12nm territorial sea. China's activities in the South China Sea appear to consist of slowly increasing its naval and air presence in the region, meeting and checking any activity by any of the more aggressive claimants in the disputed areas, and providing political and economic incentives to quiet the other claimants. As evidence of this policy, China increased its maritime presence in 2013 and now maintains three continuous Coast Guard patrols in the South China Sea, backed up by regular transits of Chinese Navy warships. Attempts by other claimants to assert claims and prevent Chinese actions that seek to assert operational superiority provide the potential for miscalculation.

Through multilateral forums, USPACOM supports the U.S. position advocating for adjudication of claims by duly constituted international bodies and multilateral solutions. Unlike other nations involved in this and similar disputes, China consistently opposes international arbitration, instead insisting on bilateral negotiations—a construct that risks China's domination of smaller claimants. The activities by multilateral forums to adopt international codes of conduct for the South China Sea and those efforts to legally adjudicate claims need our support.

Cyber: Cyberspace is growing not only in its importance relative to the flow of global commerce but also in its importance to our ability to conduct military operations—making it an

attractive target for those seeking to challenge the economic and security order. Cyber threats come from a diverse range of countries, organizations, and individuals. China is rapidly expanding and improving its cyberspace capabilities to meet their national and military objectives, as are others, including North Korea and Russia, not to mention rogue groups and individuals who are increasingly enabled by technology. These actors seek to exploit our vulnerabilities by gaining unauthorized access to our networks and infrastructure on a daily basis. Potential adversaries are actively probing critical infrastructure throughout the United States and in partner countries.

Violent extremism: Periodic eruptions of religious, ethnic, political, and separatist violence continues to plague some of our closest partners in the region, limiting our engagement efforts. India, Bangladesh, Indonesia, Thailand, and the Philippines are all working against a confluence of criminal and extremist networks that enable transnational facilitation of people, material, and money across the region to support various causes which threaten regional peace and prosperity. A sustained effort to build and enhance the capacity of our allies and partners is the cornerstone of our counter terrorism strategy in South and Southeast Asia. We are encouraged by the persistent pressure that our partner nations are placing on these networks. Through close and continuous cooperation we have eroded localized insurgencies and degraded transnational extremist organizations with global reach such as Al-Qaida, Lashkar-e Tayyiba, and Hezbollah.

The movement of terrorist networks as they seek safe havens and target new areas is a potential challenge. Despite modest gains over the past few years, India-Pakistan relations are promising but fragile and the cease fire violations along the Line of Control in 2013 are certainly cause for concern. Barring another major terror attack in India, a conflict between these two nuclear powers is remote, but continued violence along the contentious border will erode the political space to improve relations. Looking further beyond the immediate term, we should remain guardedly optimistic that

India and China—the two largest Asian powers—value the economic benefits of cooperation and will strive, in New Delhi’s words, “for peace and tranquility on the border as the foundation of a stable relationship.”

Chinese Military Modernization and Intent: While we recognize and understand China’s desire to develop a military commensurate with its diverse interests. The United States remains committed to preserving regional peace and security, to meet our security commitments to our regional allies, and guaranteeing free access to the sea, air, and space domains. We are meeting that challenge by improving our military-to-military relationships with China, while steadfastly standing by our friends and allies in the region. Although U.S./China military-to-military ties are improving, we will need ever more transparency and understanding of Chinese military intentions and capabilities if we are to minimize friction and avoid conflict in the future.

The Chinese military continues to pursue a long-term, comprehensive military modernization program designed to improve the capability of its armed forces to project power to fight and win a short-duration, high-intensity regional military conflict. While preparing for potential conflict in the Taiwan Strait appears to remain the principal focus of their military investment, China’s interests have grown and it has gained greater influence in the world, with its military modernization increasingly focused on expanding power projection capabilities into the East China Sea, South China Sea, the Western Pacific, and even the Indian Ocean. This expansion, in part, is focused on developing the capabilities to deny U.S. access to the Western Pacific during a time of crisis or conflict and to provide the means by which China can bolster its broad maritime claims in the region.

Chinese military operations are expanding in size, complexity, duration and geographic location. During 2013, the Chinese People’s Liberation Army (PLA) Navy conducted the highest

number of open ocean voyages and training exercises seen to date. This included the largest ever Chinese military naval exercise observed outside the first island chain and into the Western Pacific, highlighting an enhanced power projection capability and increased ability to use military exercises to send political messages to regional allies and partners and others in Asia.

This expansion in Chinese military power projection is driven by the rapid modernization of Chinese military capabilities. Over the course of the last year, the PLA continued large-scale investment in advanced short- and medium-range conventional ballistic missiles, land-attack and anti-ship cruise missiles, counter-space weapons, military cyberspace capabilities, and improved capabilities in nuclear deterrence and long-range conventional strike, advanced fighter aircraft, integrated air defenses, undersea warfare, and command and control. China's first aircraft carrier, the *Liaoning*, began to integrate its air wing and conduct flight operations.

China's advance in submarine capabilities is significant. They possess a large and increasingly capable submarine force. China continues the production of ballistic missile submarines (SSBN). The platform will carry a new missile with an estimated range of more than 4,000 nm. This will give the China its first credible sea-based nuclear deterrent, probably before the end of 2014.

Allies and Partners

The United States' five treaty allies the USPACOM AOR, Australia, Japan, Republic of Korea, Philippines and Thailand, each play a critical role in addressing aspects of these challenges. The bilateral relationships we build with our allies is key to mutual defense but also form the basis for multilateral security arrangements that can strengthen efforts to address Asia-Pacific security challenges.

Australia: Our alliance with Australia anchors peace and stability in the region. The Australians take a leading role in regional security issues, and we are coordinating our Theater Campaign Plan with their Regional Campaign Plans to synchronize and optimize our mutual efforts.

USPACOM is working closely with the Australian Defence Staff to advance U.S. force posture initiatives including the Marine Rotational Forces in Darwin and dispersed rotational U.S. Air Force capabilities at Royal Australian Air Force bases. Increased rotational presence in Australia with a more robust bilateral training and exercise program continues to enhance U.S.-Australia interoperability and regional stability.

Japan: The alliance between our two countries is stronger than ever. USPACOM remains ready to carry out the U.S. security commitment to Japan through a full range of military capabilities. U.S. Forces Japan and Japanese Self Defense Forces (JSDF) collaborate and work towards greater shared responsibilities in realistic training, exercises, interoperability and bilateral planning. With the 2006 establishment of the Japanese Joint Staff, U.S. Forces Japan is building a close relationship to enhance interoperability and information sharing. The October, 2013 agreement by our “2+2” Security Consultative Committee (SCC) to review the U.S.-Japan Defense Cooperation Guidelines for the first time since 1997 should enable the JSDF to play a greater role in both the defense of Japan and in response to contingencies further afield. We will continue to maintain a robust military presence in Japan in order to meet future security. Last year, the Marines replaced aging CH-46 helicopters with MV-22 Ospreys and recently the Government of Japan approved a land-fill permit on Okinawa to allow the construction of a new airfield that will facilitate improved posture of U.S. Marine aircraft. The U.S. Navy has begun the gradual replacement of P-3 maritime patrol aircraft with the newer and

more capable P-8s. We will continue to deploy well-equipped, highly trained and ready forces along with our newest equipment to best support Japan and the region.

During North Korea ballistic missile provocations last year, the U.S. and Japan worked very closely to defend against potential threats. It became apparent to both USPACOM and Japan that we need an additional TPY-2 radar in Japan to provide intelligence, surveillance and reconnaissance (ISR) against missile threats. This will serve to provide early warning of missile threats to improve defense of the U.S. homeland, our forces forward deployed, and to Japan.

We continue to work with Japan and the Republic of Korea (ROK) towards a trilateral military-to-military arrangement capable of addressing North Korea provocations. Trilateral military-to-military exercises and operations will improve each participant's understanding of the mutual challenges and shared opportunities that exist in and around the Korean peninsula.

Philippines: USPACOM is identifying opportunities, informed by a proposed Agreement on Enhanced Defense Cooperation with the Philippines, for an enhanced rotational presence of U.S. forces to improve the training and capability of both our forces. U.S. forces are assisting the Philippine force efforts to improve its maritime security capabilities. Key Philippine efforts include improving Maritime Domain Awareness through development of long-range aircraft and waterborne patrols within the Philippines' Economic Exclusion Zone and enhancing integration among the National Coast Watch system.

The typhoon response in November provided evidence of the strength of the U.S.-Philippines alliance. During Operation Damayan, U.S. military relief operations assisted the people of the Philippines. More importantly, the Philippines Armed Forces were well-prepared for the emergency. Their participation in two previous DoD-sponsored humanitarian assistance/disaster response

(HA/DR) planning exercises enabled a rapid damage assessment to response and recover execution process. USPACOM continues to stand by our ally as they undergo recovery efforts.

Republic of Korea: The U.S. and ROK alliance remains strong. For 61 years, we have worked together to provide peace and stability in Northeast Asia, and we continue to work to enhance our relationship and collective capabilities. We recently concluded negotiations for the 9th Special Measures Agreement (SMA) and have developed a new cost sharing arrangement that will be in place through 2018.

The United States and ROK have agreed to transfer Operational Control on a conditions- and milestones-based timeline, and deliberations are ongoing to ensure we are developing the right capabilities for the alliance. We believe that the best way to ensure deterrence and maintain the strength of the alliance is through development of combined capabilities to respond vigorously to any future North Korean provocation.

Thailand: Thailand, with whom we have the oldest treaty in Asia, demonstrates a willingness and capability to be a regional leader. Their efforts assist in addressing several issues including negotiating competing South China Sea maritime claim disputes, serving as an enabler for engaging Burma, and encouraging trilateral engagements. Thailand is committed to increased responsibility for regional security matters.

Activities with the Thai military, including the annual Cobra Gold exercise, the largest and longest running joint/combined exercise of its kind, are the means by which we remain tightly aligned with Thailand. The Thais have expanded this formerly bilateral U.S.-Thai exercise into a premier multilateral event with a dozen participant countries from around the region.

Singapore: Singapore is designated a “Major Security Cooperation Partner,” a title that reflects the value of our bilateral relationship. Singapore is critical to U.S. presence in Southeast Asia. Their continued commitment to U.S. military presence in the region is underscored by their support of the Navy’s Littoral Combat Ship (LCS) rotational deployments. Singapore’s Changi Naval Base, with its modern shore infrastructure and command and control center, is a key enabler of LCS and provides critical support to other key other forward operating naval forces.

India: India continues its rise as a regional and emerging global power. Its increasing, positive presence in the Asia-Pacific and Indian Ocean region as security provider is an important factor in regional stability. Last year, USPACOM participated in the U.S.-India Strategic Dialogue and looks forward to India’s participation in this year’s Rim of the Pacific (RIMPAC) exercise.

India has had impressive growth in defense trade with the U.S., purchasing C-17s, C-130Js, and P-8s. As we look to mature our defense relationship, there is further opportunity for growth in defense sales, co-development and co-production under the aegis of the U.S. India Defense Trade and Technology Initiative. These systems would expand India’s capabilities to provide for their own security and help their efforts to be a security provider for the region.

New Zealand: We continue to improve our relationship with New Zealand. USPACOM recently co-hosted with our New Zealand counterpart an Inaugural Bilateral Defense Dialogue and we plan follow-on dialogue this summer. We will be conducting 22 joint military-to-military exercises with New Zealand this year. We have revised our policy to allow their warships to visit our global

military ports on a case-by-case basis and look forward to New Zealand's participation in this summer's RIMPAC exercise.

Oceania: USPACOM remains engaged by assisting the Pacific island nations to build capacity to detect, deter, and seek redress for illegal activities within their Exclusive Economic Zones (EEZ) and have enhanced expansion of selected partner Coast Guard ship rider agreements to include U.S. Navy ships. In addition to EEZ control, capacity-building for effective HA/DR response remains USPACOM's focus for the Oceania sub-region. USPACOM has increased the regional understanding of the area's security concerns through regular participation in the Pacific Island Forum as a mechanism to discuss mutual security issues.

Association of Southeast Asian Nations (ASEAN): USPACOM has expanded combined and joint training and exercises in the region, notably with Indonesia, Malaysia, and other ASEAN members. There has been success using multilateral forums to build partner capacity in humanitarian assistance and disaster relief, intelligence cooperation, counter narcotics, maritime security, maritime domain awareness and cyber security and peacekeeping operations.

ASEAN's goal to develop a code of conduct for the South China Sea, and the efforts of some ASEAN nations to adjudicate claims using international bodies are positive initiatives which we support. USPACOM will continue to explore ways to support the ASEAN Defence Ministers' Meeting (ADMM) and ASEAN Regional Forum for addressing common security challenges. The recent ADMM Counter-Terrorism Exercise is an example of successful collaboration with regional partners on transnational threats. Other multilateral engagements such as the recent event in Brunei focused on military medicine and maritime collaboration in areas of counter-piracy, search and rescue, and

Humanitarian Assistance and Disaster Relief (HA/DR). The recently concluded ADMM-Plus multilateral peacekeeping (PKO) exercise in the Philippines focused on force generation, sustainment and logistics, and field operations.

Improving partner relations remains vital toward building multilateral cooperation arrangements. The multilateral forums of ASEAN provide an ideal mechanism to build multilateral capabilities. The ADMM forum is beginning to formalize those relationships to address the region's security challenges. In fact, the U.S. Secretary of Defense is hosting the next ADMM forum in Hawaii. There are also key ASEAN member countries building close bilateral military relationships which can greatly enhance regional stability. For example, in adherence to the 2013 U.S.-Vietnam Comprehensive Partnership, we will continue to assist Vietnam in developing its non-lethal defense capabilities in specialized areas such as maritime security, search and rescue, disaster management, and peacekeeping.

U.S. - China Relationship: The last year has seen some progress in improving the cooperative aspects of our military-to-military relationship with China. There are three major areas of military-to-military engagement opportunities with the Chinese. First, we use current mechanisms to exchange views on the international security environment and expand common understanding of common problems, including discussions on Iran and North Korea. U.S. and Chinese participation in the Fullerton Forum, the Strategic Security Dialogue in Singapore, along with China's invitation to join the USPACOM Chiefs of Defense Conference are examples of forums for discussing common problems.

Second, we work to develop increased institutional understanding. The Mid-Level Officers Exchange is a program where the Peoples' Liberation Army (PLA) and USPACOM host a delegation

of each other's field grade officers to better understand cultural, linguistic, and historical factors. A group of officers from the USPACOM staff and components traveled in early March to three cities in China, at the PLA's invitation, to gain an appreciation of how their military organizations and institutions work.

Third, we can build areas of mutual cooperation. The Military Maritime Consultative Agreement (MMCA) dialogues are held to exchange views on maritime domain safety. Chinese ships recently completed a port visit berthing in Pearl Harbor last November. Sixty-three PLA soldiers participated in Humanitarian Assistance training at a Hawaiian training area. Next year, the Chinese are scheduled to reciprocate and will host a similar number of U.S. soldiers. The Chinese participation in the Cobra Gold exercise, as well as their upcoming participation in the world's largest naval exercise, RIMPAC, illustrates a growing effort to include China in large multilateral activities to increase awareness and cooperation. All of the activities were scoped to ensure they fall within Congressional guidance regarding U.S. and China military-to-military interaction.

Resources

Budget uncertainty has hampered our readiness and complicated our ability to execute long-term plans and to efficiently use our resources. These uncertainties impact our people, as well as our equipment and infrastructure by reducing training and delaying needed investments. They ultimately reduce our readiness, our ability to respond to crisis and contingency as well as degrade our ability to reliably interact with our allies and partners in the region.

The USPACOM joint forces are like an 'arrow.' Our forward stationed and consistently rotational forces -- the point of the 'arrow' -- represent our credible deterrence and the "fight tonight" force necessary for immediate crisis and contingency response. Follow-on-forces from the continental

U.S. required for sustained operations form the 'shaft of the arrow.' Underpinning these forces are critical platform investments and the research and development needed to ensure our continuous dominance. Over the past year we have been forced to prioritize readiness at the point of the arrow at the great expense of the readiness of the follow-on force and the critical investments needed for these forces to outpace emerging threats, potentially eroding our historic dominance in both capability and capacity.

Due to continued budget uncertainty, we were forced to make difficult short-term choices and scale back or cancel valuable training exercises, negatively impacting both the multinational training needed to strengthen our alliances and build partner capacities as well as some unilateral training necessary to maintain our high-end warfighting capabilities. These budgetary uncertainties are also driving force management uncertainty. Current global force management resourcing, and the continuing demand to source deployed and ready forces from USPACOM AOR to other regions of the world, creates periods in USPACOM where we lack adequate intelligence and reconnaissance capabilities as well as key response forces, ultimately degrading our deterrence posture and our ability to respond.

Posture, Presence, and Readiness

Driven by the changing strategic environment, evolving capabilities of potential competitors, and constrained resourcing, we have changed the way we plan for crises, internationalized the USPACOM headquarters to better collaborate with allies and partners, and created a more agile and effective command and control architecture - a command and control architecture that can seamlessly transition from daily routine business to crisis. Strategic warning times in the USPACOM AOR are eroding and key to addressing this is our ability to rapidly assess and shape events as crises emerge.

This approach places a premium on robust, modern, agile, forward-deployed forces, maintained at the highest levels of readiness, and capable of deploying rapidly.

USPACOM is doing much to prepare the force for 21st century threats. Our components are looking at new ideas for employment of forces to better fit the needs and dynamic nature of the Indo-Asia-Pacific and to send a powerful and visible message of our commitment across the region. The Marine rotational force deployments to Darwin, the *USS Freedom* (the first Littoral Combat Ship rotating through Singapore), and rotational deployments of F-22s to Japan and F-16s to South Korea are just a few examples of these efforts. Likewise, U.S. Army Pacific (USARPAC) is currently exploring a future employment model that helps us work with allies and partners, using existing exercises and engagements as the foundation.

Critical to continued success in the USPACOM AOR is properly setting the theater to ensure a full range of military operations can be supported by the necessary forces postured, capabilities, and infrastructure.

Forward pre-positioning (PREPO) is a vital. Agile, responsive and sustained operations demand a resilient network of capabilities to deploy and sustain my most demanding contingency plan required forces. While we have made some strides to address current theater issues, I remain focused on building capacity in these areas:

- Army PREPO stocks: FY16-20 sustainment funding to ensure reliability/availability.
- PREPO Fuel: Continue to build capacity for forward positioned stocks.
- PREPO Munitions: Remove expired assets to create space for needed resources.
- PREPO Bridging: Procure additional resources to enhance capacity.
- Combat Engineers: balance active/reserve mix to meet plan timelines.

Our \$1.4B FY14 military construction (MILCON) program supports operational capability requirements to base MV-22s in Hawaii and an additional TPY-2 radar in Japan, and improve theater logistics and mobility facilities. Coupled with active and passive defense measures, MILCON pays for selective hardening of critical facilities and the establishment of aircraft dispersal locations to improve critical force and asset resiliency. Projects like the General Purpose and Fuel Maintenance hangers and the command post at Guam are examples. Continued targeted investments are needed to support “next generation” systems such as the Joint Strike Fighter, address airfield requirements, and co-locate mission support and maintenance facilities which enhance readiness, improve mission response and reduce costs associated with returning aviation assets to CONUS. Support for other dispersed locations like those in Australia also offer increased security cooperation opportunities, deepening our already close alliance. Additional sites we are considering in the Commonwealth of the Northern Marianas Islands offer expanded opportunities for training and divert airfields as well.

Many of our bases, established during World War II or in the early years of the Cold War, require rehabilitation. Infrastructure improvement programs like MILCON, Host-Nation Funded Construction (HNFC), and Sustainment, Restoration and Modernization (SRM) ensure the readiness of forces and facilities needed to meet the challenges of a dynamic security environment. In addition to continuing the outstanding support Congress has provided for MILCON, we ask for consideration to fully fund Service requests for SRM, which contribute directly to the readiness of critical ports/airfields, command/control/communication, fuel handling and munitions facilities.

Continued engagement by the U.S. Army Corps of Engineers (USACE) further supports our objectives. USACE’s unique expertise builds capacity in critical areas, including disaster response and water resource management, and their Planning and Design (P&D) funding directly supports the HNFC program. FY15 P&D funding for USACE (\$20M) will enable efficient utilization of billions of

dollars of HNFC in Japan and Korea, ensuring our base sharing approach supports current budget trends.

Cooperative Security Locations (CSLs) are important to our ability to respond agilely in the Indo-Asia-Pacific. CSLs are enduring locations characterized by the periodic (non-permanent) presence of rotational U.S. forces. Although many of these locations, like Thong Prong Pier in Thailand, provide important strategic access, we lack the authorities to make low cost improvements. Increased funding to enable low cost improvements would enhance our security cooperation effectiveness with key allies and partners in the region. To address this gap, we are requesting a new \$30M 'Security Cooperation Authority', managed by the Joint Staff under the MILCON appropriation. The new authority will provide us the flexibility to rapidly fund CSL development in support of DOD priorities in theater.

USPACOM posture is also dependent on the need to build stronger Security Cooperation capacities with our partners.

Engagement resources like Foreign Military Financing (FMF) and International Military Education and Training (IMET) are also powerful engagement resource tools. FMF and IMET are critical to demonstrating U.S. commitment to priority regional security concerns such as maritime security and disaster relief; enabling troop contributing countries to participate in peacekeeping and coalition operations; and providing professionalization opportunities in support of deeper partnerships with the United States and U.S. interests, including strengthening democratic values and human rights. Two other tools that help build capacity are the Global Security Contingency Fund (GSCF) and the Excess Defense Articles (EDA) program. GSCF is a broad-based pilot program (ending in 2015) that allows improved interagency security cooperation. I highly encourage you to continue this authority beyond 2015, especially considering the benefits from the \$40 million GSCF allocation largely applied

to the Philippines' law enforcement and maritime security capabilities, including the establishment of the Interagency Maritime Technical Training Center. The EDA program also allows us to build vital capabilities, but current statute limits transfer of certain ships to partner nations. Equally important is continued Congressional support of the Combatant Commander Exercise Engagement Training Transformation Program. These resources enable funding for joint exercises and engagement that sustain force readiness, strengthen alliances, expand partner networks, and prepare for a full range of military operations. The Asia-Pacific Center for Security Studies (APCSS) remains a uniquely effective executive outreach tool to convey our strategic interests to multi-national audiences and needs our continued support.

Expansion of the DoD's State Partnership Program (SPP) run by the National Guard Bureau has begun in the Indo-Asia-Pacific. Recent collaborative efforts to fully integrate SPP into our Security Cooperation programs have led to the successful introduction of five Bilateral Affairs Officers and the establishment of DoD's newest partnership (Nevada – Tonga). We now have 8 of 66 SPP programs world-wide (Mongolia, Philippines, Indonesia, Vietnam, Cambodia, Bangladesh, Thailand, and Tonga). In order to meet theater objectives and opportunities in 11 additionally identified Asia-Pacific nations, we continue to establish new partnerships in the region.

To sustain our current technological superiority, we must rapidly develop affordable and innovative capabilities that force our potential adversaries to respond with more costly solutions--costly in terms of money, time and resources. Our ability to successfully develop innovative capabilities will ensure we continue to be the world's most dominant and lethal fighting force. In order to meet this challenge, innovative approaches through affordable / high payoff science and technology programs as well as through innovation and experimentation must be accelerated. Specifically, the unique challenges in terms of distance and threat require we maintain our technological advantages in

areas such as – mobility, unmanned platforms, long-range strike, ISR, sub-surface capabilities, cyber, space, and missile defense.

We continue to look for opportunities to leverage the capabilities and resources of our allies and partners. Sharing and co-development of technologies with allies, as well as conducting experimentation and demonstrations within the operationally relevant environments offered by our partners will help to achieve this goal. USPACOM will continue to work closely with our partners, and allies, generating capabilities that achieve regional security.

USPACOM's success depends on our ability to accurately assess the theater security environment with penetrating and persistent ISR and domain awareness. These capabilities depend on resourcing for agile command and control of ISR; modernized sensors and platforms with the reach to excel in a non-permissive environment; and secure, assured means for sharing critical information with our allies, partners, and our forces. The nexus for leveraging these capabilities—the USPACOM Joint Intelligence Operations Center—also requires modernization of aging and dispersed infrastructure which is costly to operate and sustain.

USPACOM continues as a global leader in intelligence and cyber systems. It has established and is maturing the Joint Cyber Center-Pacific (CYBERPAC), which plans, integrates, synchronizes and directs theater cyberspace operations. The aim is to set the theater for cyberspace operations, provide assured command and control and information sharing with joint and inter-organizational partners and forces, and direct regional cyber missions to meet USPACOM objectives. USPACOM continues to work with DoD counterparts to receive additional cyber forces and build appropriate mechanisms to command and control such forces across all operations.

Agile and resilient C4 (Command, Control, Communication, and Computers) capabilities are critical for assuring our ability to maintain communications and situational awareness; command and

control forward deployed forces; and coordinate actions with coalition partners. This holds particularly true for USPACOM, which must overcome the “Tyranny of Distance” posed by the vast Indo-Asia-Pacific region. From moving supplies in support of a humanitarian assistance/disaster relief effort to full spectrum coalition operations, modern joint forces depend upon assured command and control and interoperability.

Future globally integrated operations will require even more integrated communications with mission partners on a single security classification level with a common language. Therefore, a more defensible and secure C4 cyber architecture designed to communicate with mission partners is needed. USPACOM was recently designated to lead Increment 2 of the Joint Information Environment (JIE), which will accommodate Service networks and joint/coalition warfighting networks in a standard network infrastructure with improved security capabilities. JIE will further strengthen collective cyber security in the region and will redefine joint/coalition communications, establish a credible cyber defense posture, and improve staff efficiency and support. We have already expanded traditional communications interoperability forums with Korea, Japan, Singapore, Thailand, and the Philippines to include cyber defense.

Conclusion

At USPACOM, we are committed to maintaining a security environment that protects and defends U.S. interests throughout the Indo-Asia-Pacific region. If adequately resourced, we will make efficient use of these resources in order to ensure we are properly postured and ready to respond to any crisis that threatens U.S. interests. I would like to thank the Committee on behalf of the many men, women, and their families that live and work in the Indo-Asia-Pacific Theater for all your continued support and I look forward to answering your questions.

[The statement of General Scaparrotti follows:]

STATEMENT OF
GENERAL CURTIS M. SCAPARROTTI
COMMANDER, UNITED NATIONS COMMAND;
COMMANDER, UNITED STATES-REPUBLIC OF KOREA COMBINED FORCES
COMMAND;
AND COMMANDER, UNITED STATES FORCES KOREA
BEFORE THE
HOUSE APPROPRIATIONS COMMITTEE
SUBCOMMITTEE ON DEFENSE

March 26, 2014



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1. INTRODUCTION.

Mr. Chairman and distinguished members of the Committee, I am honored to testify as the Commander of the United Nations Command (UNC), United States–Republic of Korea (ROK) Combined Forces Command (CFC), and United States Forces Korea (USFK). On behalf of the Service Members, Civilians, Contractors, and their Families who serve our great nation in Korea, I thank you for your support. Our enduring military presence in Korea prevents war and preserves stability in a region critical to U.S. security. The U.S.-ROK Alliance protects both of our nations' vital interests by protecting our citizens, advancing our values, and enabling prosperity.

In 2013, we marked the 60th anniversaries of the Armistice Agreement that suspended the Korean War and the signing of the U.S.-ROK Mutual Defense Treaty. The U.S.-ROK Alliance is among history's most successful partnerships, providing the foundation for regional stability and prosperity. For 60 years, our Alliance has succeeded in preserving the Armistice Agreement, promoting democracy, and providing stability for the people of South Korea and the region. The Alliance is strong, but we will not allow ourselves to be complacent – we are and will remain ready. In the year ahead, we will face challenges and opportunities particularly in adapting the Alliance to changes in the North Korean threat.

North Korea remains a threat that is continually increasing its asymmetric capabilities amid a declining, yet large conventional force. Kim Jong-un is firmly in control despite his family's legacy of failure and the suffering of the North Korean people. The Kim regime threatens the United States and South Korea, where more than 114,000 Americans reside. North Korea's actions hold at risk a regional trade network that supports 2.8 million U.S. jobs and \$555 billion in U.S. exports.

Thanks to the support of our national leaders and the American people, USFK's presence is a strong commitment to South Korea and preserves stability and prosperity. USFK, a modern, capable, and forward-deployed force, stands ready to support our Nation's interests and defend our ally.

2. STRATEGIC ENVIRONMENT.

U.S. security and prosperity depend on stable relationships with regional partners and allies, and regional stability depends on enduring U.S. presence and leadership. The Asia-Pacific region produces a quarter of the world's gross domestic product and is home to a quarter of the world's population, as well as the world's largest military and economic powers. These nations face the challenge of interdependence, relying on the U.S. for stability while increasingly relying on China economically. In the face of strategic change and military threats, the U.S. is the constant that provides stability and a framework for conflict avoidance and resolution.

Security Developments. Northeast Asia contains four of the world's six largest militaries. Regionally, China has heightened regional influence while pursuing a comprehensive military modernization program. This development is taking place against a backdrop of historical antagonism and growing territorial claims.

Economic Center of Gravity. The Asia-Pacific region is an economic center of gravity indispensable to the U.S. economy and our ability to maintain global leadership. In 2013, the region was responsible for 40% of global economic growth, with U.S. trade increasing by 22% between 2008 and 2012. In 2012, exports reached \$555 billion, a 31% increase since 2008 supporting 2.8 million American jobs. The region invested \$422 billion in the U.S. by the end of 2012, up 31% since 2008. The Korea-U.S. Free Trade Agreement is providing tangible benefits and is expanding a critical U.S. trading relationship, one that topped \$130 billion in goods and services in 2012. The region's economic prosperity, in turn, relies on the stability that enduring U.S. leadership and military presence provide.

The China Factor. China's reshaping of the region's strategic landscape impacts the security of both Koreas. While concerned about China's growing assertiveness and lack of transparency, South Korea is committed to deepening relations with China, its largest trading partner, in a manner that does

not compromise the health of the U.S.-ROK Alliance. South Korea sees China as playing a critical role in shaping North Korean behavior. However, China's near-term focus on stability and concerns about the future of the U.S.-ROK Alliance render it unlikely to take measures that could destabilize North Korea. Despite strains in the Sino-North Korean relationship, the Kim regime continues to rely on China for resources, as well as diplomatic cover to constrain international efforts to pressure North Korea to denuclearize and alter its aggressive behavior.

3. NORTH KOREA.

North Korea remains a significant threat to United States' interests, the security of South Korea, and the international community due to its willingness to use force, its continued development and proliferation of nuclear weapon and long-range ballistic missile programs, and its abuse of its citizens' human rights, as well as the legitimate interests of its neighbors and the international community. Last year at this time, North Korea embarked on a series of provocations including a satellite launch, nuclear test, and the deployment of a road mobile intermediate range ballistic missile, all in violation of UN Security Council resolutions. Recently, the United Nations Commission of Inquiry on North Korean Human Rights detailed North Korean abuses, assessed their impact, and made recommendations. North Korea's growing asymmetric capabilities present the U.S.-ROK Alliance with a challenging and complex threat.

Coercive Strategy. The Kim Jong-un regime's overriding interest is ensuring its survival. To achieve this, North Korea employs a coercive strategy, using force or the threat of force in an attempt to influence the United States and South Korea. The Kim regime seeks to maintain internal security, develop a strong military deterrent, and pursue coercive diplomacy to compel acceptance of its nuclear program. Rather than seeking rapprochement with the international community, North Korea deliberately isolates itself.

The Kim regime's strategic campaign is calculated, but risky. Escalatory acts involving nuclear development, missile tests, and military posture changes near the Demilitarized Zone (DMZ) carry with them elements of uncertainty and the potential for miscalculation, and rapid and unintended escalation.

Conventional Capabilities. North Korea continues to place priority on its military readiness. The Korean People's Army (KPA) – an umbrella organization comprising all military services – is the fourth largest military in the world. It fields approximately one million troops; 4,100 tanks; 2,100 armored vehicles; and 8,500 pieces of field artillery in addition to over 700 combat aircraft, 420 patrol combatants at sea, and 70 submarines. Over the past three decades, the regime has incrementally positioned the majority of this force within 90 miles of the DMZ, where they are postured for offensive or defensive operations. This means that they can strike targets within the Seoul Metropolitan Area where over 23 million South Koreans and almost 50,000 American citizens live.

Asymmetric Capabilities. While North Korea's massive conventional forces have been declining due to aging and lack of resources, and likely realizing that it cannot counter the Alliance head on, North Korea is emphasizing the development of its asymmetric capabilities. North Korea's asymmetric arsenal includes several hundred ballistic missiles, a large chemical weapons stockpile, a biological weapons research program, the world's largest special operations forces, and an active cyber warfare capability.

- **Nuclear arms and ballistic missiles.** North Korea continues to develop nuclear weapons and ballistic missiles in violation of multiple United Nations Security Council Resolutions. Today, it fields SCUD and Nodong missiles that are able to strike the entire Korean Peninsula and U.S. bases in Japan that also support UNC forces should they be called upon to defend the ROK. It is investing heavily in longer-range missiles with the potential to target the U.S. homeland. North Korea shows little regard for the fact that the possession of, pursuit of, and threat to use nuclear weapons and their means of delivery

are the primary barriers to its inclusion in the international community and productive economic integration.

- **Cyber capability.** North Korea employs computer hackers capable of conducting open-source intelligence collection, cyber-espionage, and disruptive cyber-attacks. Several attacks on South Korea's banking institutions over the past few years have been attributed to North Korea. Cyber warfare is an important asymmetric dimension of conflict that North Korea will probably continue to emphasize — in part because of its deniability and low relative costs.

Internal Situation. North Korea is a dictatorship under Kim Jong-un. He demonstrated his willingness to use his internal security agencies last year by arresting and very publicly purging Jang Song-tack, his uncle by marriage and a powerful member of the regime's inner circle. Though this event inspired wide speculation in the press, we do not believe it is a sign of instability — it was a calculated and deliberate action by Kim Jong-un to demonstrate his control of the regime.

Nevertheless, long-term trends continue to challenge the regime's internal stability. The level of military readiness places a tremendous economic burden on North Korea's population. North Korea's economy shows little improvement, and South Korea has declared that it will no longer provide substantial aid without first re-establishing trust. Additionally, in spite of the regime's efforts to control it, the influx of external information continues to grow. The regime will face increasing challenges to the control of information, which could gradually weaken the effectiveness of its internal propaganda.

Outlook. For the foreseeable future, North Korea will remain an isolated and unpredictable state willing to use violent behavior to advance its interests, attempt to gain recognition as a nuclear power, and secure the regime's continuation. The regime needs to portray the U.S. as an enemy to distract its population from economic hardship, government brutality, and systemic incompetence. Therefore, a shift to a truly conciliatory posture toward the U.S. is unlikely.

We remain concerned about the potential for a localized, violent act against South Korea, which could start a cycle of response and counter-response, leading to an unintended, uncontrolled escalation and a wider conflict. Also, we assess that North Korea has already taken initial steps towards fielding a road-mobile ICBM, although it remains untested. North Korea is committed to developing long-range missile technology that is capable of posing a direct threat to the U.S. Our Alliance with South Korea continues to be the critical linchpin required to deter North Korean aggression and to maintain stability.

4. REPUBLIC OF KOREA.

South Korea is a modern, prosperous democracy empowered by the creative drive and hard working spirit of its people. South Korea is poised to increase its regional and global influence to the benefit of both our nations. Against this backdrop in February 2013, President Park Geun-hye took office with a four-dimensional strategy focusing on Economic Democratization (domestic reforms to enable sustainable economic growth), the Trust-Building Process or *Trustpolitik* (North-South relations), the Northeast Asia Peace Initiative or Seoul Process (increase ROK regional influence and leadership), and Active Defense and Military Reform (counter North Korean provocations and threat). She committed significant time and energy in recalibrating South Korean policy toward North Korea, while she strengthened the ROK's international influence and leadership as a rising middle power across the diplomatic, informational, military, and economic spectrum. President Park is a staunch supporter of our Alliance, and she is committed to enhancing South Korea's ability to respond to provocation, and deter or defeat North Korean aggression.

Inter-Korean and Foreign Relations. President Park deftly managed relations with North Korea in the face of North Korean aggressiveness and leadership turbulence. The ROK deterred provocations (with visible U.S. support) and resisted acceding to North Korean demands. South Korea's management of North-South relations and *Trustpolitik* are moving ahead in a manner that seeks to avoid creating new

vulnerabilities. In February, the Koreas conducted their first family reunions since 2010. This was a positive, humanitarian event for the families of both countries who remain separated since the Korean War. Through the Seoul Process, South Korea seeks to increase its international influence and leadership, and President Park held 37 meetings with other heads of state, including President Obama.

Concerns About U.S. Commitment. We are committed to the defense of South Korea, and continue to demonstrate that commitment with additive rotational units to Korea, extended deterrence, and priority in defense resources and emphasis – second only to Afghanistan. However, due to a history of foreign invasions and the continuing North Korean threat, South Korea is concerned about adjustments in U.S. security strategy, particularly about reduction of U.S. commitment or resources. Confidence in U.S. commitment will play an important role in how South Korea designs and executes its defense strategy, and postures and structures its military.

Republic of Korea Military. The South Korean military is a capable, modern force operating in an effective partnership with U.S. forces. The North Korean threat remains its primary focus, but Seoul is increasing its ability to contribute to international security. Beginning with the Vietnam War, Seoul has contributed to several U.S. and U.S.-led international coalitions, most recently with combat service and civilian reconstruction support in Iraq, Afghanistan, and South Sudan, as well as deployments to support multinational anti-piracy and non-proliferation operations. More than 1,100 South Korean military members are deployed to 12 U.S.-led or UN-mandated missions.

- **Military Strategy.** South Korean military strategy calls for a rapid and robust response to North Korean provocations. The South Korean military is focused on protecting its people, believing that a commitment to a firm and immediate response to North Korean violence is essential to deterrence and self-defense. I am concerned about the potential for miscalculation and escalation, and I believe that both our nations are best served through an Alliance response based on seamless and rapid consultation

through mutually agreed-upon processes. To mitigate these concerns, we are enhancing our crisis management and escalation control measures through exercises and the bilateral Counter Provocation Plan we signed last year.

- **Manning and Budget.** The South Korean military has an active duty force of 639,000 personnel augmented by 2.9 million reservists. Demographics are driving its military to reduce manning to 517,000 active duty service members at some point in the 2020s. South Korea plans to offset this reduction in force with capability enhancements, including high technology weapons. South Korea has the 12th largest defense budget in the world with a 2014 budget of \$32.7 billion. Although Seoul continues to expand defense spending – this year’s defense budget represents a 4% increase over 2013, 14.5% of the overall national budget, and 2.49% of Gross Domestic Product – it still has not been able to meet the ambitious defense spending objectives of its current long-range defense plan, prompting a re-evaluation and re-prioritization of defense acquisition priorities and future force posture.

- **Capabilities and Force Improvement.** The Republic of Korea is making tough choices on military capabilities, attempting to achieve a number of security objectives. While the North Korean threat remains its priority, South Korea is also factoring the defense of sea lines of communication and maritime exclusive economic zones, balancing other regional powers, and building its domestic defense industries. South Korea has acquired impressive new capabilities that enhance the Alliance’s qualitative edge over North Korea, including F-15K fighters and AH-64E Apache heavy attack helicopters. It could further increase its edge by following through with its commitments to procure Patriot PAC-3 ballistic missile defense systems and Global Hawk, and pending procurement decisions on F-35 Joint Strike Fighters.

Combined Forces Command (CFC) continues to encourage South Korea to develop and implement new joint and combined command, control, communications, computers and intelligence, surveillance

and reconnaissance (C4ISR) capabilities that are fully interoperable with the U.S. This includes a balanced approach that accounts for systems, networks, organizations, and human capital. CFC is placing special emphasis on missile defense, not only in terms of systems and capabilities, but also with regard to implementing an Alliance counter-missile strategy required for our combined defense.

5. THREE COMMANDS.

As the senior U.S. military officer in Korea, I lead three Commands: the United Nations Command (UNC), Combined Forces Command (CFC), and U.S. Forces Korea (USFK). Each Command has distinct, but mutually supporting missions and authorities.

United Nations Command. As the UNC Commander, I am charged with leading an 18-nation coalition in maintaining the Armistice to ensure a cessation of hostilities until a final peace settlement is achieved. UNC maintains the Armistice by reducing the prospect of inadvertent clashes and miscalculations particularly within the DMZ and along the Northern Limit Line. This requires that I carefully balance the UNC Armistice maintenance responsibilities with the CFC responsibilities to defend South Korea. Should conflict resume and require an international response, as the UNC Commander, I am responsible for the operational control and combat operations of UNC member nation forces. We leverage our UNC Rear Headquarters ties with Japan to promote ROK-U.S.-Japan military engagements by educating military and civilian leaders about the criticality of Japan's support to the Alliance in times of conflict. Last year saw the return of Italy to UNC, and other Sending States are increasing their participation in exercises and in our permanent UNC staff. UNC remains as vibrant today as when it was originally chartered.

U.S.-ROK Combined Forces Command. As the Commander of CFC, I am responsible for deterring North Korean aggression and, if deterrence fails, leading combined U.S.-ROK forces in the defense of the Republic of Korea. CFC enables us to organize, plan, and exercise U.S. and ROK forces to ensure

that CFC is ready to “Fight Tonight” – not just a slogan, but a mindset. CFC serves a purpose beyond that of other military commands; it embodies the military dimension of the Alliance that enables Americans and Koreans to fight as a unified force.

United States Forces Korea. As the Commander of USFK, I am responsible for organizing, training, and equipping U.S. forces on the Peninsula to be agile, adaptable, and ready to support CFC and UNC, as well as U.S. Pacific Command (PACOM). USFK continues to support the ROK-U.S. Mutual Defense Treaty and serves as a stabilizing force and a visible manifestation of the U.S. commitment to South Korea. As a joint, sub-unified command of PACOM, USFK is responsible for supporting the Combatant Command’s pursuit of U.S. theater and national level objectives. USFK is a member of the broader U.S. team that synchronizes and works Korea issues, including PACOM, the Joint Staff, the Office of the Secretary of Defense, the U.S. Embassy, the Interagency, and the Intelligence Community.

- **Ground Forces.** As USFK’s ground component force, Eighth Army (8A) uses modernized ground combat power to deter threats to U.S. interests in Korea in full partnership with the South Korean Army. In 2013, U.S. Army Pacific established a Coordination Element on the Peninsula to provide additional synchronization. The new Army Regionally Aligned Force effort ensures CONUS-based forces are better prepared to respond to regional requirements. In late 2013 and early 2014, the Army dispatched additive rotational forces to Korea as a means to strengthen combat readiness. These rotational forces arrive in Korea fully manned and trained, and they minimize transportation costs by leaving their equipment in Korea for the next unit in the rotation. Eighth Army’s enhanced readiness and presence in Korea represent a powerful U.S. commitment to deterrence and warfighting capability.

- **Air Forces.** The 7th Air Force is stationed in the Republic of Korea to apply air and space power in the Korean Theater of Operations (KTO). In 2013, 7th Air Force made advancements in command and control systems, fielding an improved version of the Theater Battle Management Core System. This

new system enhances our ability to command and control thousands of coalition sorties in one of the world's most complex battle spaces. In August, the 7th Air Force Commander assumed the role of Area Air Defense Commander for the KTO. Despite resource constraints in 2013, 7th Air Force made progress in enhancing deterrence and defense through Theater Support Packages (TSP), exercises, training, and command and control enhancements. Last year, 7th Air Force hosted three TSPs augmenting our capabilities and demonstrating U.S. resolve. They continued to improve combined airpower capabilities by executing two MAX THUNDER exercises, and trained the ROK Air Force for its first-ever deployment out of country to integrate with U.S. and multinational forces.

- **Naval Forces.** The deployment and presence of the U.S. Navy's most modern combat platforms in the Pacific Region provides enhanced capabilities (air, surface, undersea) in the maritime domain. The U.S. Navy is committed to sending our most modern platforms to the Pacific Region. The routine presence in the KTO of carrier strike groups demonstrates U.S. commitment and staying power, reassures allies, and deters adversaries. The routine deployment of expeditionary strike groups allows us to conduct combined amphibious operations and advance the command and control capabilities of the ROK and U.S. Marine Air-Ground Task Force.

- **Marine Forces.** U.S. Marine Corps Forces, Korea (MARFOR-K) is a service component headquarters assigned to USFK. It coordinates support from U.S. Marine units that come primarily from the III Marine Expeditionary Force (MEF) located in Japan. MARFOR-K maintains a close relationship with the ROK Marine Corps and helps ensure that combined planning and training events are of optimal benefit to both countries. In 2013, we conducted 11 combined Korea Marine Exercise Program events that ranged from platoon to battalion size and spanned the gamut of military operations. U.S. and ROK Marine combined training includes Exercise SSANG YONG, one of the most comprehensive amphibious exercises in the world. MARFOR-K ensures that USFK remains ready to integrate forward-

based U.S. Marine forces that would be critical in the early hours and days of a crisis.

- **Special Operations Forces.** Special Operations Command, Korea (SOCKOR) serves as our Theater Special Operations Command (TSOC) for Korea, providing command and control for all U.S. Special Operations Forces (SOF) in Korea. SOCKOR maintains continual engagement with the South Korean Army Special Warfare Command, its Naval Special Warfare Flotilla's SEALs, its Air Force SOF fixed wing, and its Army rotary wing SOF units. SOCKOR also serves as the UNC's subordinate headquarters that commands and controls all UN SOF during training exercises and in the event of crises or war.

6. U.S.-ROK ALLIANCE.

For over 60 years, we have stood together with the Republic of Korea in an Alliance for our common defense and increasingly rooted in mutual prosperity. We benefit from a rich combined military history and shared sacrifices. Our South Korean ally appreciates that the U.S. provided the security and assistance that enabled South Korea's hard earned success and liberty. Today, the Alliance stands as one of history's strongest and most effective military partnerships, one that has evolved to include regional and global security interests. In the coming year, we will continue to collaborate in addressing the challenges of Alliance transformation, enhancing counter-provocation capability, and implementing the counter missile strategy consistent with the Revised Missile Guidelines (RMG) and the bilateral Tailored Deterrence Strategy (TDS).

Strong Relationships. Our greatest strength rests in our close, daily cooperation built on trust. We have transparent and candid relationships that enable our ability to address tough warfighting and interoperability issues. We will continue to nurture the strong relationships that provide us with the mutual understanding, respect, and habits of cooperation required to preserve decision space and options during provocations or crisis.

Alliance Transformation. The U.S. Office of the Secretary of Defense and ROK Ministry of National Defense are holding working group meetings to clarify South Korea's proposed conditions and prerequisites for wartime operational control (OPCON) transition and to review the bilaterally agreed upon pathway to OPCON transition in Strategic Alliance 2015. As the bilateral group continues its work, I remain focused on our combined readiness, and especially on enhancing the critical South Korean military capabilities identified in Strategic Alliance 2015. As they deliberate, we remain committed to preserving the benefits and advantages of being combined while ensuring that we are positioning the Alliance for long-term sustainability and operational effectiveness, and that we are doing so in a fiscally-sound manner.

Authorities and Consultation. Our consultative procedures remain robust and through these mechanisms, including the annual Security Consultative Meeting (SCM) and Military Committee Meeting (MCM), we continue to deepen our relationships and ensure that our military receives synchronized national-level direction. Our bilateral strategic documents define U.S. authorities within the Alliance and codify authorities for the Command to plan, train, and maintain readiness, as well as assume command should South Korea request that we do so in times of crises or war. These ensure the U.S. retains a voice and a stake in decisions and actions taken on the Korean Peninsula.

Burden Sharing. Earlier this year, the Alliance concluded a new cost sharing agreement called the Special Measures Agreement (SMA), which will be in effect through 2018. Under the SMA, South Korea will help offset the costs of stationing U.S. forces in Korea by providing support for labor, supplies, services, and construction. For 2014, Seoul will provide \$867 million in cost sharing support. SMA contributions also stimulate the South Korean economy through salaries and benefits to host nation workers, supply and service contracts, and local construction work. SMA support plays a critical role in developing and maintaining force readiness.

Counter Missile Capabilities. The United States and South Korea are implementing a comprehensive Alliance counter missile strategy based on detecting, defending, disrupting, and destroying North Korean missile threats. The strategy calls for the development of new South Korean ballistic missiles with increased ranges as well as enhanced ISR capabilities, including unmanned aerial vehicles. South Korea continues to implement the Revised Missile Guidelines (RMG), an important element in increasing Alliance capabilities to defend both South Korea and the United States. While we are making progress in implementing the RMG and countering the North Korean missile threat, we must continue to work toward enacting combined command and control processes to integrate our respective capabilities.

Tailored Deterrence. In October 2013, the U.S. Secretary of Defense and ROK Minister of National Defense signed the bilateral Tailored Deterrence Strategy (TDS). The TDS is a significant milestone in the U.S.-ROK security relationship, and establishes an Alliance framework for ensuring deterrence against North Korean nuclear and weapons of mass destruction (WMD) threat scenarios. The TDS is not an operational plan, nor does it call for preemptive strikes or specific responses to North Korean actions. The TDS identifies a variety of capabilities that allow the Alliance to explore and implement options to enhance deterrence.

Operationalizing Deterrence. In 2013, U.S. Pacific Command and U.S. Strategic Command dispatched strategic platforms to the KTO, including Carrier Strike Groups, Ohio Class guided-missile and Los Angeles Class attack submarines, F-22 fighters, and B-52 and B-2 bombers. These operations reassured the South Korean people of our commitment and provided a tangible demonstration of extended deterrence.

Exercises. Exercising our joint, combined, and multinational forces is an important component of readiness and is fundamental to sustaining and strengthening the Alliance. CFC and the ROK Joint

Chiefs of Staff conduct three major annual exercises. Exercises KEY RESOLVE and FOAL EAGLE (Feb/Mar) and ULCHI FREEDOM GUARDIAN (Aug) provide the primary and most effective means to ensure combined readiness and deterrence – we must sustain them despite budget and resource constraints. Our exercises are a key opportunity to work through warfighting and interoperability issues, and enable the Alliance to adapt to the changing strategic environment, including progressing toward South Korean leadership in the defense of the Peninsula.

Readiness and Challenges. As a global military priority – second only to Afghanistan – and despite fiscal and resource limitations, we have maintained a high state of readiness. However, I am concerned about shortfalls in critical areas including C4ISR, missile defense, critical munitions, and the readiness of follow-on forces. North Korea’s forward deployed posture and demonstrated expertise in denial and deception present significant challenges. We can meet these challenges better by increasing ISR assets and analytic capability, and we are working to do so both with our on-Peninsula U.S. forces and ROK forces. I am encouraged by South Korean efforts to address missile defense limitations; however, effective solutions require a composite of integrated systems and capabilities. Next, we do not have sufficient stocks of some critical munitions and thus need to increase and maintain our on-Peninsula stock. Finally, fiscal limitations will impact the training and readiness of follow-on forces. Any delay in the arrival or reduction in readiness of these forces would lengthen the time required to accomplish key missions in crisis or war, likely resulting in higher civilian and military casualties.

A Bright Future Together. President Obama and President Park reaffirmed last year the “2009 Joint Vision for the Alliance of the United States of America and the Republic of Korea.” This landmark vision lays out an ambitious Alliance expansion. We will continue to encourage South Korea to develop stronger military-to-military relations with our other key allies and partners in the region. The Republic of Korea, as the 12th largest economy in the world with a modern military, is seeking to expand its role

in regional and international security, and we look forward to increasing our global partnership as outlined in the 2009 Joint Vision statement.

7. VISION 2014 AND PRIORITIES.

The Command will work to implement my priorities of strengthening the Alliance, maintaining the Armistice, and taking care of our people. We will remain vigilant against the North Korean threat, and we will strive to create enduring regional and global stability and prosperity.

My priorities are straightforward: Sustain and Strengthen the Alliance; Maintain the Armistice; Deter and Defeat Aggression – Be Ready to “Fight Tonight”; Transform the Alliance; Sustain Force and Family Readiness; and Enhance the UNC, CFC, and USFK Team.

Sustain and Strengthen the Alliance. America is fortunate to have committed and capable friends, and I have had the privilege of working alongside many of our Allies across a range of circumstances. This is my first time serving in South Korea. The South Korean military is impressive and is one of the most capable and best trained militaries in the world. South Korea is a true ally, willing to share burdens and make sacrifices in pursuit of our common values and interests. The coming year will provide an opportunity to strengthen our Alliance. Together, our Alliance can ensure a strong and effective deterrence posture so that Pyongyang never misjudges our role, our commitment, or our capability to respond to aggression. We are also working to expand the scope of trilateral security cooperation between the United States, South Korea, and Japan, thereby sending a strong message to Pyongyang. Relationships matter, and it is our people who more than anything else make possible our unity of purpose and action. So, we will reinforce the principle of working toward Alliance solutions to Alliance issues, and in the spirit of the Alliance, we will move “Forward Together.”

Maintain the Armistice: Deter and Defeat Aggression – Be Ready to “Fight Tonight.” Tightly linked to strengthening the Alliance is the imperative of maintaining the Armistice and deterring

aggression. Being ready to “Fight Tonight” means that if deterrence fails, the Alliance is ready to defeat aggression. The key to readiness is ensuring that U.S. and ROK forces are properly trained and equipped, and that follow-on forces are fully trained and capable of deploying on a tight timeline. Failure to maintain a high level of readiness leads to strategic risk against a well-armed North Korea possessing asymmetric capabilities. Despite fiscal and resource limitations, the forces in Korea maintain a high state of readiness.

Alliance Transformation. We will continue to press forward on Alliance transformation, focusing on achieving the goals set forth in Strategic Alliance 2015 (SA 2015), the roadmap for Alliance transformation into a ROK-led command structure. We designed SA 2015 to set conditions for a successful, enduring, and stronger Alliance. We must modernize our force posture and command and control to adapt to the changing NK threat in a manner that is sustainable and operationally effective. We will place increased emphasis on enhancing our cyber and special operations capabilities and will study lessons learned and technological advancements for application in the Korean Theater.

Sustain Force and Family Readiness. My final two priorities are linked -- sustaining force and family readiness is enabled by our efforts to enhance the team. The challenge of limited warning and decision space increases the criticality of training and readiness. Readiness applies not only to our combat forces but our families as well. Our people are most effective when their families are cared for and in balance. The personnel turbulence caused by one-year tours and our nation’s fiscal issues compound the magnitude of this challenge. We are working to address the issue of personnel turbulence by being very discerning with how we allocate command-sponsored tours and in the use of rotational forces. I ask for your assistance in supporting the best force we can sustain in Korea and the corresponding support for our families.

Enhance the UNC, CFC, and USFK Team. I am instilling a command climate based on valued

team members, teamwork, standards, discipline, and balanced lives. This includes encouraging spiritual, family, physical, professional, and personal balance and resilience. My vision for our command climate is upholding the covenant between the leader and the led. And one of the most important aspects of leading and taking care of our Service Members is my commitment to combating sexual assault and sexual harassment. We are unwavering in our commitment to doing so, and I know this resonates at every level of our Command. In and of itself, sexual assault is deplorable and unacceptable, and undermines the trust that is required to operate effectively as a team.

8. CLOSING.

The U.S.-ROK Alliance remains strong with an important future. The UNC/CFC/USFK Command and its dedicated men and women are ready every day to deter the North Korean threat, and if necessary, they are ready to fight and win. I am honored to have the opportunity to lead this dedicated joint, combined, and multinational force in one of the most vital regions of the world. We have a serious mission against a real threat, and as the USFK Commander, I deeply appreciate each American who has volunteered to serve far from home to support a close ally, protect American interests, and demonstrate American leadership and willingness to stand up to those who would threaten our way of life. Mr. Chairman, again, thank you for this chance to meet with you and your Committee, and I look forward to working together.

[CLERK'S NOTE.—The complete transcript of the hearing could not be printed due to the classification of the material discussed.]

THURSDAY, APRIL 3, 2014.

MISSILE DEFENSE AGENCY

WITNESS

VICE ADMIRAL J.D. SYRING, USN, DIRECTOR, MISSILE DEFENSE AGENCY

CHAIRMAN FRELINGHUYSEN OPENING STATEMENT

Mr. FRELINGHUYSEN. The meeting will come to order. I would like to recognize Ranking Member Visclosky for a motion.

Mr. VISCLOSKY. Mr. Chairman, I move that the hearing, which involves classified materials, be held in executive session because there is classified material to be discussed.

Mr. FRELINGHUYSEN. So ordered. Thank you, Mr. Visclosky.

This morning, our subcommittee holds a closed hearing on the fiscal year 2015 budget for the Missile Defense Agency. We would like to welcome Vice Admiral J.D. Syring, director of the Missile Defense Agency, to your first time appearing before our subcommittee. We welcome you and look forward to your testimony this morning.

As the hostility continues to escalate on the Korean peninsula, the battery exchanges, the North Korean fire and directing a test of another nuclear device, we are increasingly concerned with the safety of our allies in the Pacific areas of operations and our own homeland defense against missile threats, realizing that our ground-based, mid-course defense has been plagued by test data in recent years, we're anxious to learn of any improvements to the system to increase its reliability. The threat is increasing. We have to figure out a way to make the program reliable to protect America and our allies. Pointing out some of this are several articles the members have in front of them from today's newspapers. Of course, North Korea's not the only threat we face. Iran continues to work on its own missile capabilities. And those two countries have been in collusion for quite a long time, I may add. We need to make sure that we are addressing the threat Iran poses, both to our allies and Israel and to other parties in the region, Europe, and to us here at home.

We also need to hear your views on the capabilities of our missile defense, if indeed they are better than our adversaries China and Russia, and what other countries are doing that have missile capability, or even a less capable missile capability that could represent a threat in the hands of people who might want to use a missile.

So welcome. We look forward to your testimony and an informative question and answer period. Before we invite your testimony, I'd like to turn to my ranking member, Mr. Visclosky, for any comments he may wish to make.

Mr. VISCLOSKY. Chairman, thank you for calling the hearing today.

Mr. FRELINGHUYSEN. And Admiral Syring is before us here. Your formal comments will be put into the record, but we welcome any comments you may wish to give.

VADM SYRING OPENING STATEMENT

Admiral SYRING. Thank you, sir. Good morning, Mr. Chairman, Ranking Member Visclosky, distinguished members of the subcommittee.

Out of our total request of \$7.46 billion for the fiscal year 2015 missile defense program, we are requesting \$1.3 billion approximately, plus Air Force Early Warning Radar upgrades, for homeland defense. My highest priority remains the successful intercept flight test of the CE-II Exo-Atmospheric Kill Vehicle. In January 2013, we conducted a highly successful non-intercept test of the CE-II kill vehicle. Its performance exceeded our expectations and confirmed we are on the right track to return the GMD system to flight testing intercept. I am confident we have fixed the problem and look forward to conducting the intercept test this summer. It will be in June. Best test date right now is June 22nd.

I'm also optimistic that we have identified the root cause of the intercept failure involving our first generation EKV last July when the CE-I kill vehicle failed to separate from the booster's third stage. We have accounted for the issue for the upcoming flight test and are working towards a correction to the entire fleet before the end of the year, underscoring the importance of testing.

The GMD system fielded in 2004/2005 was designed to counter a very simple threat from North Korea, a bare RV with no countermeasures. The intelligence and flight test data today is very clear that they have moved well past simple countermeasures and attitude control system development.

Threat missile launches today contain RV's and non-RV's, which can include tanks, boosters, decoys and other countermeasures. The BMDS must decide which objects are lethal and which are not. We cannot shoot at every object seen by the sensors. If the enemy uses several decoys or releases junk to fly alongside the lethal target, the multiplication of objects in the target scene can quickly exceed the available inventory of interceptors. We must make better use of each interceptor and only shoot what is required to achieve confidence we have killed the lethal RV. We cannot afford to shoot our way out of this problem.

This year's budget request will start the development work for a redesigned EKV, a long-range discriminating radar, and other discrimination upgrades needed across the BMD system to address the very problem I described. I am confident that our homeland defense capability will be greatly improved and ahead of the threat by 2020 with this added capability. The new EKV will address longstanding reliability concerns and the new radar will provide the needed sensor tracking and discrimination capability against a threat with complex decoys.

We will continue to monitor Iran's development of longer range systems as the requirement for a CONUS Interceptor Site is considered to add battle space and capacity for the warfighter and to consider a permanent long range radar for the east coast as well. By 2020, when the Alaska discrimination radar is complete, our plan will be to move the Sea-based X-band radar to the east coast for equivalent discrimination coverage against the Iranian threat.

Mr. Chairman, you will find our plans for the procurement of additional ground-based interceptors, standard missile 3-block IB's, and THAAD interceptors, as well as other planned improvements to the BMDS as part of my written statement. I ask that it be submitted to the record and——

Mr. FRELINGHUVSEN. Consider it done.

Admiral SYRING [continuing]. And I look forward to your questions.

[The statement of Vice Admiral Syring follows:]

**Vice Admiral J.D. Syring, USN
Director, Missile Defense Agency
Before the
House Appropriations Committee
Defense Subcommittee
April 3, 2014**

Good morning, Chairman Frelinghuysen, Ranking Member Visclosky, distinguished Members of the subcommittee. I appreciate this opportunity to testify before you today. Our current budget request of \$7.459 billion for Fiscal Year (FY) 2015 will continue the development of defenses for our Nation, deployed forces, allies, and international partners against increasingly capable ballistic missiles. The FY 2015 missile defense program will support the warfighter and needs of the Combatant Commanders (COCOMs) with the development and deployment of interceptors, sensors, and the command, control, battle management and communications (C2BMC) system that makes up the integrated Ballistic Missile Defense System (BMDS). Our PB 2015 request supports needed improvements in homeland defense and continues strong support of regional defense initiatives. Our FY 2015 program plans include continued investments in advanced technologies and future capabilities to keep pace with the increasingly complex threat.

Ballistic Missile Threat

The threat continues to grow as our potential adversaries are acquiring a greater number of ballistic missiles, increasing their range and making them more complex, survivable, reliable, and accurate. The missile defense mission is becoming more challenging as potential adversaries incorporate BMD countermeasures. Space-launch activities in Iran and North Korea involve multistage systems that serve to further the development of ballistic missile technology for longer-range systems, including

intercontinental ballistic missile (ICBM)-applicable technologies and systems. As the Director for National Intelligence testified last year, "Iran has demonstrated an ability to launch small satellites, and we grow increasingly concerned that these technical steps . . . provide Tehran with the means and motivation to develop larger space-launch vehicles and longer-range missiles, including an ICBM." Iran could develop and test an ICBM capable of reaching the United States by 2015. In addition to the Taepo Dong 2 space launch vehicle/ICBM, North Korea is developing and has paraded the KN08 road-mobile ICBM and an intermediate-range ballistic missile (IRBM) capable of reaching Guam and the Aleutian Islands. Iran also has steadily increased its ballistic missile force, deploying next generation short- and medium-range ballistic missiles (SRBMs and MRBMs) with increasing accuracy and new submunition payloads. Iran has publicly demonstrated the ability to launch simultaneous salvos of multiple rockets and missiles. Demonstrating that it is capable of modifying currently deployed ballistic missile systems, Iran has flight-tested a Fateh-110 ballistic missile called the Khalij Fars by adding a seeker to improve the missile's accuracy against sea-based targets. This ballistic missile has a range of 300 km, which means it is capable of threatening maritime activity throughout the Persian Gulf and Strait of Hormuz.

Support for the Warfighter

Our overriding goal is to provide support to the warfighter. With this budget we will maintain our commitment to build out homeland defenses to 44 Ground Based Interceptors (GBIs), pending a successful return to intercept this summer, and focus on Ground-based Midcourse Defense (GMD) system reliability and GBI performance. We will also maintain our commitment to deploy Phases 2 and 3 of the European Phased

Adaptive Approach (EPAA). We are continuing efforts to improve the performance of the Aegis Weapons System and deliver Standard Missile (SM-3) Block IB guided missiles. We will also deploy a second forward-based X-band AN/TPY-2 radar in Japan, improving homeland and regional defense capabilities and increasing our global operational AN/TPY-2 radar posture, and build and improve the C2BMC infrastructure at fielded sites. We plan to procure interceptors for Terminal High Altitude Area Defense (THAAD) and, pursuant to our agreement with the Army, fund additional AN/TPY-2 spares and an additional THAAD Battery.

Last year we conducted or participated in over 17 multi-event exercises and wargames, which are critically important to the warfighter and the intensive engineering efforts across the Agency. MDA also worked collaboratively with Combatant Commanders, Office of the Secretary of Defense (OSD) and the Services to complete a strategy and roadmap providing a series of near-, mid- and far-term architecture options for the BMDS that are the basis for program planning for the rest of this decade. In response to the continued fielding by U.S. adversaries of air, missile, and rocket capabilities, in May 2013 MDA assumed the responsibility of Technical Authority for Integrated Air and Missile Defense (IAMD), and as such will lead the Department's joint IAMD engineering and integration efforts, including interface definition and control as well as technical requirements allocation.

Finally, we continue to work closely with the Director, Operational Test & Evaluation (DOT&E) and with independent testers and the Services. From October 2012 to the present, we have executed 9 high profile flight tests, 13 if you include our involvement with and contributions to Israeli flight tests. The highlight was Flight Test

Operational – 01 (FTO-01), the historic and unparalleled operational test of our regional layered ballistic missile defenses this past September, which involved THAAD and Aegis BMD, ground- and sea-based forward deployed sensors, and C2BMC. The two targets were launched on operationally realistic trajectories towards a defended area near the Reagan Test Site in the Pacific Ocean. This was a highly successful operational test involving MDA, the Operational Test Agency, Joint Functional Component Command for Integrated Missile Defense, and U.S. Pacific Command, as well as U.S. Army Soldiers from the Alpha Battery, 2nd Air Defense Artillery THAAD, U.S. Navy Sailors aboard the USS Decatur and British sailors aboard the HMS Daring, and Airmen from the 613th Air and Operations Center. Similar to the Flight Test Integrated – 01 test conducted in October 2012, FTO-01 provided the warfighters confidence in the execution of their integrated air and missile defense plans and the opportunity to refine operational doctrine and tactics, techniques and procedures.

In FY 2015 we have 15 flight tests in the Integrated Master Test Plan. As the BMDS matures, we are continuing to increase the complexity in our flight test program by: conducting more system-level operational tests; increasing the number of BMDS assets in those tests; increasing the numbers, types and ranges of the threat representative targets we use; conducting more simultaneous launches; and replicating potential wartime scenarios to realistically exercise warfighting chain of command to evaluate command and control concepts of operation and tactics, techniques and procedures. We also have system-level ground tests that combine the warfighter chain of command with the developmental system and test under varying conditions to improve confidence in the system being deployed to Combatant Commands. We are entering a

period of unprecedented complexity and increased testing tempo based on that complexity. Our flight tests will also involve an increasingly stressful set of threat representative targets as well as longer range interceptors for our regional capabilities. Over the coming years, U.S. government stakeholders – to include Soldiers, Sailors, Marines, and Airmen – and allies will have a larger role and impact in our test program than ever before.

Homeland Defense

MDA's highest near-term priority remains the successful GMD intercept flight test of the newest GBI Exo-atmospheric Kill Vehicle (EKV) – the Capability Enhancement (CE)-II EKV. Based on our analysis of the data from the successful January 2013 non-intercept controlled flight test of the CE-II GBI (CTV-01), we plan to conduct FTG-06b, an intercept flight test, this summer. CTV-01 demonstrated the successful dampening of the vibration environments that affected the navigation system and resulted in the failure of the FTG-06a mission conducted in December 2010. FTG-06b will demonstrate the ability of the CE-II EKV to discriminate and intercept a lethal object from a representative ICBM target scene. An increase in the number of GBIs in the fleet assumes a successful return to intercept of the CE-II EKV.

Last July, with FTG-07, we conducted an intercept flight test of the upgraded CE-I, or first generation, EKV. We made numerous improvements to the CE-I fleet through upgrades since the last successful CE-I flight test in 2008. In FTG-07 the EKV did not intercept the target because the kill vehicle on the GBI did not separate from the booster's third stage. The failure investigation is progressing toward a root cause. Once

the investigation is concluded, we will take steps to make any fixes to the fleet that need to be made for both the CE-I and CE-II EKV's.

Today, 30 operational GBIs protect the United States against a limited ICBM attack from current regional threats, such as North Korea and Iran. Last year we began refurbishment of Missile Field 1 at Fort Greely, Alaska (FGA) to develop silo capacity to support delivery of an additional 14 GBIs, continued emplacing GBIs in Missile Field 2 (MF 2), and continued conducting GBI component testing and refurbishing currently deployed GBIs to test and improve their reliability. We are requesting approximately \$1.3 billion in FY 2015 for homeland defenses. We remain committed to a "fly before you buy" acquisition approach. Pending a successful outcome of the GMD intercept flight test this summer, we will resume taking delivery of GBIs and emplace them in MF 2 and MF 1 as we progress towards 44 by the end of FY 2017. Beginning in FY 2016, we will acquire replacement GBIs to support GMD operations, testing, and spares, pending the outcome of flight testing.

Construction of the GBI In-Flight Interceptor Communication System (IFICS) Data Terminal (IDT) at Fort Drum, New York is proceeding on schedule. Once it is operational in late-2015, the east coast IDT will enable communication with GBIs launched from Fort Greely, Alaska and Vandenberg Air Force Base in California over longer distances and improve defenses for the eastern United States by increasing system performance in specific engagement scenarios.

We currently operate a forward-based X-band radar, the AN/TPY-2 radar, in Shariki, Japan, which is in the northern part of that country. In September 2012 the Secretary of Defense directed the deployment of a second AN/TPY-2 X-band radar in

Japan to provide improved tracking coverage for launches out of North Korea. Working with our Japanese partners, we expect to complete the deployment of the second AN/TPY-2 radar in Kyogamisaki in southern Japan by the end of this calendar year. We will also deploy a new C2BMC capability which will enhance the overall performance of the radars when operating in a mutually supporting dual radar mode.

We will take additional steps to keep pace with the threats to the U.S. homeland. We have requested \$99.5 million in FY 2015 to redesign and improve the GBI EKV. The redesigned EKV will be built with a modular, open architecture and designed with common interfaces and standards, making upgrades easier and broadening our vendor and supplier base. The new EKV's will improve reliability and be more producible, testable, reliable, and cost-effective and eventually will replace the kill vehicle on our current GBI fleet. We are currently assessing concepts, acquisition options, and timelines to test and field the redesigned EKV. Our goal is to begin flight testing the redesigned EKV in FY 2018. We also request \$79.5 million, which includes \$29 million in MILCON funding for planning and design, to begin development of a Long Range Discrimination Radar (LRDR), with deployment planned in 2020. The new long-range, mid-course tracking radar will provide persistent coverage and improve discrimination capabilities against threats to the homeland from the Pacific theater. This new radar also will give more geographic flexibility to deploy the Sea-Based X-band (SBX) radar for contingency and test use.

MDA requests \$122 million in FY 2015 to support the Discrimination Improvements for Homeland Defense (DIHD) efforts. The goal of this effort is to develop and field an integrated set of capabilities to improve BMDS reliability, lethality,

and discrimination. The end result will be a deployed future BMDS architecture more capable of discriminating and destroying a reentry vehicle. Our plans in this area will support a near-term DIHD capability (2016) and a DIHD capability fielding in 2020.

We are requesting \$64 million in FY 2015 for continued Sea-Based X-band (SBX) radar operations. In collaboration with the Services, Joint Staff, STRATCOM and the COCOMs, we maintained the SBX radar in Limited Test Support Status, where the radar continues to support the BMDS test program and remains available for contingency deployment under the operational command of PACOM. In 2013 SBX supported real world operations, with 49 days at-sea, and the FTG-07 GMD test with a total of 110 days at-sea and demonstrated an autonomous acquisition capability.

We are also examining locations for a possible additional CONUS interceptor site. The current GBI sites at Fort Greely, AK and Vandenberg AFB, CA provide capability necessary to protect the homeland. While there has been no decision by the Department to move forward with an additional CONUS interceptor site, such a site would add battle space and interceptor capacity should it be deemed necessary to proceed with deployment. Our CONUS Interceptor Site study determined the following sites are viable candidates and they are to be included in the Environmental Impact Statement: Fort Drum, New York; Naval Air Station Portsmouth SERE Training Area, Rangley, Maine; Ravenna Training and Logistics Site, Ohio; and Fort Custer Combined Training Center, Michigan. The Environmental Impact Statement, which will take approximately 24 months to complete, will assess environmental impacts at each of the sites, to include potential impacts to land use, water resources, air quality,

transportation, socioeconomics and other factors established by the National Environmental Policy Act.

For FY 2015 we are requesting approximately \$38.6 million for our network of strategic radars. We will continue missile defense upgrades of the Early Warning Radars in Clear, Alaska and Cape Cod, Massachusetts. We expect to complete the Clear radar upgrade in 2017 and the Cape Cod upgrade in 2018. Last year MDA worked with the Air Force to begin upgrading the Early Warning Radar (EWR) at Clear, Alaska to give it a missile defense capability, providing improved ballistic missile defense sensor coverage over the continental United States and reducing sustainment and operating costs. We also transferred sustainment responsibility for the Beale (California), Fylingdales (United Kingdom), and Thule (Greenland) Upgraded Early Warning Radars back to the United States Air Force.

Regional Defenses

Deployment of regional defenses to protect our deployed forces, allies and international partners remains one of our top priorities. Our FY 2015 budget request funds the continued development and deployment of defenses against SRBMs, MRBMs, and IRBMs in support of Combatant Commanders' near-term and future priorities. MDA will continue to focus on threats from the Asia-Pacific and Middle East regions as we continue to support the European Phased Adaptive Approach to protect our deployed forces and our allies.

Terminal High Altitude Area Defense

In FY 2013 MDA delivered 37 THAAD Interceptors and expended two in flight tests, for a total of 84 delivered to Army war stock. We also delivered hardware for

fielding of the third THAAD battery: 2 Tactical Station Groups, 6 Launchers, and a set of Peculiar Support Equipment. Training of the soldiers who will operate the third THAAD battery has begun and we expect it to be completed in FY 2015. This year we expect to deliver the fourth THAAD battery. In collaboration with the Services, Joint Staff, STRATCOM and the COCOMs, we achieved first operational deployment of the THAAD capability for the defense of Guam. In recent tests we demonstrated THAAD's ability to intercept an MRBM as part of an integrated operational test with Aegis BMD (FTO-01), the second intercept of this class of target since FTI-01. THAAD has put together a remarkable record of success, successfully intercepting 11 out of 11 targets with the operationally configured interceptor.

For FY 2015, MDA is requesting \$464 million for THAAD procurement, which includes the purchase of 31 THAAD interceptors. We also are requesting \$300 million in RDT&E funding in FY 2015 and \$76 million for THAAD operations and maintenance. We will continue to enhance THAAD's ability to operate through post-intercept debris, enable launch of THAAD's interceptors using sensor data provided by other BMDS sensors, and maintain capability against current and evolving threats. THAAD will conduct two flight tests in FY 2015. In FTT-18 THAAD will demonstrate an intercept of a separating IRBM target using the THAAD radar, launcher, fire control and communication, interceptor closed loop operations, and engagement functions. In FTO-02 THAAD will engage a SRBM with associated objects and demonstrate advanced radar algorithms.

Aegis Ballistic Missile Defense

Last year MDA completed six BMD Weapons System installations on Aegis ships: two Aegis BMD 3.6; three Aegis BMD 4.0; and one Aegis BMD 5.0 (USS JOHN PAUL JONES) in conjunction with the Navy's Aegis Baseline 9 installation. The USS JOHN PAUL JONES will replace the USS LAKE ERIE as the BMD deployable test ship to support MDA and Navy testing of Integrated Air and Missile Defense capabilities. We now have a total of 30 BMD capable Aegis ships in the Fleet. In 2013 we delivered 10 SM-3 Block IAs and 16 SM-3 Block IBs. By the end of 2015, over 65 SM-3 Block IBs will be delivered.

We are requesting \$929 million in RDT&E funding in FY 2015 to continue development, testing, and installation of Aegis BMD capabilities to defeat longer range and more sophisticated ballistic missiles launched in larger raid sizes. We request \$435 million in FY 2015 for Aegis BMD procurement, which includes \$348 million for 30 SM-3 Block IB guided missiles and \$12 million for operations and maintenance of SM-3 Block IAs. In response to the Combatant Commanders' demand for more BMD ships with the latest tested capability, Navy and MDA have incorporated Aegis BMD into the Navy's Aegis DDG Modernization Program and new construction DDGs. We will continue upgrading the capability of existing BMD ships and integrating new and modernized ships to the BMD fleet, with a planned operational availability of 43 Aegis BMD ships in FY 2019. The homeport transfer of four Aegis BMD ships to Rota, Spain began this past February with the USS DONALD COOK. Another Aegis BMD ship, USS ROSS is scheduled to transfer later this year, and the remaining two Aegis BMD ships will transfer in 2015.

With the Japan Ministry of Defense, we completed multiple SM-3 Block IIA component Cooperative Development Project Critical Design Reviews, including: Staging Assembly, Steering Control Section, Guidance System, Third Stage Rocket Motor, Sensors, Kinetic Warhead Guidance Electronics Unit Assembly, Divert and Attitude Control System, and Kinetic Warhead, culminating with an overall missile system Critical Design Review, in October 2013. Also in October, the SM-3 Block IIA completed Propulsion Test Vehicle-01 in which the missile and new composite canister both demonstrated successful and safe ignition and egress from the vertical launching system.

Last year was a significant year for Aegis BMD testing, with five for five successful intercept tests and successful transmission of Long Range Surveillance and Track data through C2BMC to the GMD system in FTG-07. FTM-20 (February 2013) demonstrated the ability of the Aegis BMD 4.0 Weapon System to Launch on Remote using data from the Space Tracking and Surveillance System (STSS) demonstrator satellites. FTM-20 employed an SM-3 Block IA against a unitary medium-range target. High quality infrared fire control data from STSS was provided through C2BMC. C2BMC generated very high quality fire control quality data and passed the track data over operational communications links to the firing Aegis ship to conduct a launch on remote engagement. This complex test proved the value of an integrated C2 and sensor network and the use of space-based sensors to expand the BMD battle space. FTM-19 (May 2013) supported the development and assessment of the Aegis BMD 4.0 Weapon System and the SM-3 Block IB prior to an FY 2014 full-rate production

decision. A second Aegis BMD ship successfully acquired the target and conducted a simulated engagement using space-based sensor data.

In a span of 23 days, Aegis BMD was a principal player in three major operational flight tests: FTO-01, FTM-21 and FTM-22, which all achieved successful intercepts. FTM-21 (September 2013) and FTM-22 (October 2013) fired SM-3 Block IBs to validate operational effectiveness and suitability of the Aegis BMD 4.0 Weapon System and the SM-3 Block IB. FTM-22 was our fifth consecutive successful intercept mission using the 4.0 Weapons System and SM-3 Block IB and an important milestone for Phase 2 of the EPAA. FTM-21 and FTM-22 also completed Director Operational Test and Evaluation Initial Operational Test and Evaluation flight testing requirements for the 4.0 Weapons System and the SM-3 Block IB.

To complete Initial Operational Test and Evaluation requirements for the 4.0 weapons system, we also conducted a tracking exercise, FTX-18, over the Atlantic Ocean in January 2014, which confirmed the capability of the 4.0 weapons system to track and engage a raid of three ballistic missile targets with simulated SM-3 Block IBs. In this event, multiple Aegis BMD baselines participated, yielding comparative raid performance data, including the Aegis Ashore Romania deckhouse at Lockheed Martin in Moorestown, New Jersey. The Aegis Ashore system will be deployed to Romania later this year.

We also continue development of a Sea Based Terminal capability to provide protection of maritime forces against advanced anti-ship ballistic missiles and increased layered defense for forces ashore. Using an incremental development approach, we are incorporating BMD capability into the Navy's Baseline 9 architecture, to include terminal

defense with the SM-6 guided missile and the BMD 5.0 weapon system. In 2013, we completed the initial design phase and initiated software development for missile and weapon system modifications. We plan to test and certify the first increment of Sea Based Terminal capability in 2015. We also finalized the requirements for the second increment of Sea Based Terminal capability, scheduled to certify in 2018.

The FY 2015 Aegis BMD flight test program will include almost all of the Standard Missile variants, with firings of SM-3 Block IBs from ships as well as the PMRF Aegis Ashore Missile Defense Test Center, execution of raid scenarios with engagements in both Anti-Air Warfare and BMD warfare areas, Launch on Remote for long-range engagements, developmental Controlled Test Vehicle firings of the SM-3 Block IIA missile, and tracking exercises for the Sea Based Terminal weapon system configuration.

European Phased Adaptive Approach

We will continue to support the EPAA to provide coverage of European NATO territory from Iranian ballistic missile threats by investing resources for EPAA development, testing and deployment. Phase 1, which provides coverage of NATO territory in Europe with the deployment of Aegis BMD 3.6 ships with SM-3 IAs and a SPY-1 radar in the Mediterranean, the AN/TPY-2 radar (Forward Based Mode) to U.S. European Command (EUCOM) in Turkey, and the C2BMC Spiral 6.4 system at Ramstein AFB in Germany, has been operational since the end of 2011.

Our goal in EPAA Phase 2 is to provide robust capability against SRBMs and MRBMs. The architecture includes the deployment of the Aegis BMD 4.0 and 5.0 weapon systems with SM-3 Block IBs at an Aegis Ashore site in Romania and at sea,

A formal ground-breaking ceremony for the Aegis Ashore site took place in Deveselu, Romania in October 2013. The start of construction of the Aegis Ashore site in Deveselu, Romania this year involves the delivery of the deckhouse from Moorestown, N.J. to Romania. The site will be integrated into the EUCOM command and control network, tested and operational by December 2015. MDA requests \$123 million in FY 2015 to continue development of the Aegis Ashore sites in Romania and Poland. We also request \$226 million in FY 2015 for the continued procurement of equipment for Aegis Ashore in Poland.

Four months after disassembly and transport of the Aegis Ashore equipment to the Pacific Missile Range Facility (PMRF) began, an Aegis Light Off ceremony was held on 6 December, 2013 to commemorate the first time the Aegis Combat System was powered on, with Sailors manning the consoles and the system brought on-line at the PMRF deck house facility. We are now preparing for Aegis Ashore flight tests at PMRF this year and in 2015.

Deployment of Phase 3 will enhance and expand protection for European NATO countries and U.S. forces through the region from MRBMs and IRBMs from the Middle East. In support of EPAA Phase 3, the SM-3 Block IIA, which we are co-developing with the Japanese government, and an upgraded version of the Aegis Weapons System are on schedule to be available for deployment in 2018 at Aegis Ashore sites in Romania and Poland, and at sea. MDA requests \$264 million in RDT&E funding in FY 2015 to continue the bilateral, cooperative effort. The upgraded Aegis Weapons System and C2BMC system with engage on remote AN/TPY-2 radar (forward based mode) capability combined with the faster, longer reaching SM-3 IIA will expand Aegis

BMD battle space to counter more sophisticated threats and will extend coverage to NATO allies in Europe threatened by longer range ballistic missiles.

Working closely with Navy, we will deliver the upgraded 5.1 Aegis BMD Weapons System as a part of the Navy's Baseline 9 architecture on ships for deployment worldwide in 2018 to support Combatant Commanders requirements to counter an expanded threat set. This past year we continued development of the Aegis BMD 5.1 fire control system.

Command, Control, Battle Management, and Communications and Sensors

In 2013 we continued to support warfighter operations of the EUCOM BMDS capability for regional defense. In partnership with the Combatant Commands, we maintain the capability to engage multiple simultaneous threat attacks in the region. As the foundation of BMDS, the MDA C2BMC team supported the warfighter in real world operations across multiple Areas of Responsibility, which included deployments to the Middle East, Turkey, and Kwajalein. Last year we fielded software upgrades to U.S. Northern Command (NORTHCOM), U.S. Strategic Command (STRATCOM), U.S. Pacific Command (PACOM) and Central Command (CENTCOM) and installed Spiral 6.4 MR-2 at PACOM, NORTHCOM, and STRATCOM. This year we completed software upgrades to CENTCOM and EUCOM. We also delivered the Distributed Training System to CENTCOM for Air and Missile Defense Exercise 13-2.

For the first time, in 2013, we conducted a flight test with successful debris mitigation (FTO-01) and also generated fire control quality track data from space sensors for a live fire Launch-on-Remote Aegis BMD 4.0 Weapons system and SM-3 Block 1A engagement (FTM-20). In addition to continuing the enhancement of global

BMD survivable communications and support for operations and sustainment of C2BMC at fielded sites, in FY 2015 we will integrate Space Based Infrared System Increment 2 capabilities into C2BMC to support cueing of BMD sensors worldwide. We will also improve sensor data integration and battle management in C2BMC to support Aegis BMD cueing and launch-on and engage-on remote capability.

In support of homeland and regional defense, we continued to sustain AN/TPY-2 operations and supported the deployment of additional AN/TPY-2 radars and the C2BMC infrastructure. For the second AN/TPY-2 radar deployment to Japan, we identified candidate sites, conducted site surveys, selected sites, obtained agreements with the host nation, and initiated site design efforts. We deployed the AN/TPY-2 (Terminal Mode) as part of a THAAD battery in the PACOM Area of Responsibility. Last year we relocated the AN/TPY-2 radar in CENTCOM to a permanent location. Additionally, we accepted the AN/TPY-2 radar Number 8 and provided it to the 3rd THAAD Battery; awarded a production contract for AN/TPY-2 Number 12; awarded a production contract for an additional Prime Power Unit; and awarded a contract for AN/TPY-2 spares.

We request \$393 million in FY 2015 to develop and deploy BMDS sensors (includes Long Range Discrimination Radar), and \$183 million to operate and sustain the nine AN/TPY-2 radars and support the UEWRs and Cobra Dane radar. We request \$444 million in FY 2015 to operate and sustain C2BMC at fielded sites and continue C2BMC program spiral development of software and engineering to incorporate enhanced C2BMC capability into the battle management architecture and promote further interoperability among the BMDS elements, incorporate boost phase tracking,

and improve system-level correlation and tracking. We will also continue communications support for the AN/TPY-2 radars and C2BMC upgrades. We request \$31 million for continued operation of the Space Tracking and Surveillance System and Near-Field InfraRed (NFIRE) satellite system in FY 2015. We continue to operate the two STSS-D satellites to conduct cooperative tests with other BMDS elements and demonstrate the capability of the satellites to cue and track against targets of opportunity to provide high precision, real-time tracking of missiles and midcourse objects that enable closing the fire control loops with BMDS interceptors. We also continue to operate the NFIRE satellite, which has the capability to collect near-field phenomenology data for use in developing plume to hard-body handover algorithms for boost phase interceptor programs.

Developing New Capabilities

We are developing fiscally sustainable advanced technology that can be integrated into the BMDS to adapt to threat changes. Our investments are focused on technology that brings upgradeable capability to the warfighter. Our advanced technology investments are determined by systems engineering, which permits us to evaluate and determine which emerging technical solutions will best address gaps in the BMDS and enhance its overall capability and performance. The goal of our technology investment strategy is to deploy a future BMDS architecture more capable of discriminating and killing reentry vehicles with a high degree of confidence, allowing the warfighter to dramatically improve shot doctrine. One of our greatest challenges is the ability to bring multiple sensor phenomenology (i.e., reflective and thermal properties of the missile) into the missile defense architecture. Relying purely on terrestrial radar for

precision tracking and discrimination of the threat is a potential weakness our enemy could exploit in the future. Adding persistent electro-optical sensors to our architecture is a high payoff solution for this gap.

MDA requests \$45 million in FY 2015 for Discrimination Sensor Technology. We will integrate advanced sensors on existing unmanned aerial vehicles and demonstrate their ability to create a precision track that shooters can use to target their interceptors quickly and accurately. We will test the first precision track sensors at PMRF this fall. In parallel, we will begin integration and ground test of an advanced sensor upgrade to these precision track sensors with follow-on flight testing in FY 2016. MDA's Discrimination Sensor Technology development and test plan is a cost-effective, stepping stone to MDA's long-term goal of persistent discrimination coverage from a space platform.

Additionally, Air Force Space Command (AFSPC) and MDA are collaborating on future space sensor architecture studies and sensor performance assessments across a broad set of joint mission areas and on Analyses of Alternatives (AoA) studies with threat definition, technical evaluations, and cost analysis support. MDA is supporting AFSPC in its review of concepts that will inform an AoA for the future of protected military satellite communications and overhead persistent infrared systems. As an example, MDA is exploring the potential of BMDS-focused space sensors that also provide data contributing to Air Force missions such as Space Situational Awareness.

MDA requests \$14 million in Weapons Technology in FY 2015 to combine the knowledge gained from our Discrimination Sensor Technology effort with our high-power directed energy program to build the foundation for the next-generation laser

system capable of addressing advanced threats and raids at a much lower cost than existing missile interceptors. We are pursuing a unique set of laser technology to execute missile defense missions from high-altitude, low-mach airborne platforms operating in the clear, low turbulence stratosphere. We have been developing two promising solid-state lasers: one at Lawrence Livermore National Laboratory and the other at the Massachusetts Institute of Technology's Lincoln Laboratory collaboratively with the Defense Advanced Research Projects Agency (DARPA). Both lasers achieved record power levels within the last year. MDA will continue high energy efficient laser technology development with the goal of scaling to power levels required for a broad spectrum of speed of light missile defense missions. This year, we are working with several aircraft prime contractors defining concepts for integrating a multi-kW class laser into a mid-altitude, unmanned aerial vehicle. A laser test platform addresses a broad spectrum of mission applications and we will continue our collaboration with our service partners, the Air Force Research Laboratory, and DARPA for joint development and test opportunities.

MDA requests \$26 million in FY 2015 for the Common Kill Vehicle (CKV) Technology effort. MDA's strategy is to achieve as much commonality among future GMD kill vehicles and other future kill vehicles for Aegis BMD and THAAD. In FY 2014 this CKV technology effort will help establish the requirements foundation for the redesigned GMD EKV, which we are now planning as the first phase (Phase I) of our overall kill vehicle development strategy. Our FY 2014 joint government and industry concept definition effort will also assess the ability of industry to meet those requirements. In follow-on CKV efforts, or Phase II, we will make investments that

reduce the costs of production and weapon system operations through new kill vehicle architectures and scalable technology that improves the effectiveness and performance of our interceptor fleet against an evolving threat. Our investments in large format focal plane arrays, smaller inertial measurement units and high performance propulsion components as well as new kill vehicle architectures are key enablers. This technology development allows us to engage a more numerous and increasingly more complex threat, eventually establishing the technology foundation for killing multiple lethal objects from a single SM-3 or GBI.

MDA requests \$16 million in FY 2015 for the Advanced Research area which conducts leading-edge research and development with small businesses, universities, and international partners to create and advance future missile defense capability. This effort includes managing the Small Business Innovation Research and Technology Applications programs to help MDA-funded small businesses to transition their technology to missile defense applications. MDA is also seeking to leverage the creativity of our nation's universities by sponsoring academic research focused on developing breakthrough capabilities for missile defense.

MDA requests \$9 million in FY 2015 for the Advanced Concepts & Performance Assessment effort, which delivers independent assessments of government, university, and industry technology concepts that, along with systems engineering requirements, support acquisition strategy decisions and define our technology focus areas. This effort has greatly improved our assessment of advanced BMD technologies to address evolving threats for the warfighter. We work directly with universities, Federally Funded Research and Development Centers, University Affiliated Research Centers and

innovative small businesses to develop cutting edge data collection, modeling techniques, hardware-in-the-loop, and high performance computing platforms to speed the assessment of innovative technology concepts.

International Cooperation

MDA is engaged with over twenty countries and international organizations, such as NATO. Our major international efforts reflect the Department's goals in the Asia-Pacific, Middle East, and Europe: building partner BMD capacity, supporting the strategic shift to Asia-Pacific, and executing EPAA deployments.

Building Partner BMD Capability

Since I last testified before the committee, we had several successes in our cooperative development programs with our Israeli partners. Through our cooperative efforts, Israel is developing a layered and robust BMD capability. In November 2013 the Israel Missile Defense Organization (IMDO) and MDA achieved a second successful intercept using the David's Sling Weapon System. This past January we successfully conducted the second fly-out of the Arrow-3 upper tier interceptor. These programmatic milestones provide confidence in future Israeli capabilities to defeat the evolving ballistic missile threat in the Middle East. Another recent and significant accomplishment for the Department is the precedent-setting international agreement with Israel regarding coproduction of the Iron Dome missile defense system that was signed on March 5, 2014. The agreement supports increasing U.S. industry co-production of Iron Dome components.

Our largest co-development effort is with Japan on the SM-3 Block IIA interceptor. Japan has committed significant funding for their part of this co-

development project. Japanese and U.S. components will be fully integrated and flight tested in the coming years. The Japanese dedication to this program ensures we will remain on track to deliver SM-3 Block IIA in support of the EPAA Phase 3 in the 2018 timeframe.

After spending a year establishing processes, procedures, and an information technology infrastructure, the Defense Security Cooperation Agency designated MDA a Foreign Military Sales (FMS) Implementing Agency in February 2012 for the THAAD missile defense system and the AN/TPY-2 radar. MDA is currently executing one FMS case with the United Arab Emirates for two THAAD batteries and accompanying launchers, radars, and interceptors. We are actively engaged with several nations, particularly those in the Gulf region, to provide program information and pricing and cost data that may inform future decisions to procure THAAD as an upper tier missile defense capability.

Supporting the Strategic Shift to the Asia-Pacific

As I have already stated, along with the cooperative efforts on the SM-3 Block IIA, the United States and Japan are working together to support the deployment of the second U.S. forward-based AN/TPY-2 radar. Our Japanese partners should be commended for their efforts in supporting this deployment to the Japan Air Self-Defense Force (JASDF) base in Kyogamisaki in southern Japan. This radar will enhance both regional BMD capability and improve defense of the U.S. homeland.

MDA also supported the deployment of a THAAD missile defense system to Guam for the defense of U.S. deployed forces in the region. This is our first long-term deployment of a THAAD battery.

Executing EPAA Deployments

Last October MDA and other Department leaders participated in a groundbreaking ceremony for the Aegis Ashore site in Romania. Site preparation work has started, and we are on schedule with military construction activities demonstrating real steps to deliver EPAA Phase 2 in the 2015 timeframe.

In addition to programmatic planning and deployment activities, MDA is also supporting EUCOM efforts to ensure the necessary Implementing Arrangements are in place to support EPAA fielding timelines. In the near-term, this means coordinating on and, where possible, streamlining the construction, site activation, and equipment acceptance processes in Romania. We are also laying the groundwork for these efforts in Poland. Again, all activities are on track to support the stated EPAA timelines.

We are also working through NATO to ensure U.S. C2BMC and NATO command and control networks are fully interoperable. The United States and NATO test existing and future ballistic missile defense capabilities through a series of ongoing test campaigns in order to evaluate current capabilities and reduce risk for future development.

MDA will continue to engage NATO and regional Allies in support of U.S. national security strategy through international cooperation in missile defense. For instance, the United States is working with NATO on a study to identify cooperative opportunities for European nations to develop and procure missile defense capabilities to complement the U.S. EPAA contribution to NATO BMD.

MDA remains engaged and committed to expanding work with our international partners, to include conducting joint analyses to support partner missile defense

acquisition requirements, cooperative research and development projects, co-development, deployments, FMS, and co-production. It is an honor to work with dedicated international partners on activities that benefit both U.S. and international contributions to missile defense architectures.

Cybersecurity

MDA has been working diligently to enhance the cybersecurity posture of missile defense networks and improve the protection of ballistic missile defense information. MDA has developed new policies, partnered extensively with industry and other Department of Defense organizations, and has continuously increased investments in cybersecurity to ensure our networks and information remain secure against cyber attacks.

I have coordinated policy Memoranda with the DoD Chief Information Officer's office and the Under Secretary of Defense for Acquisition, Technology, and Logistics and signed MDA Policy Memoranda on "Securing Ballistic Missile Defense Information on Government and Non-Government Networks and Systems." These require MDA program executives, program managers, contracting officials, and contractors to follow existing guidelines and implement new cybersecurity measures. We published MDA Manual titled: "Procedures for Protection of Critical Program Information and Mission-Critical Functions and Components within the Missile Defense Agency." We conducted a cybersecurity industry day titled: "The Emerging Role of Cybersecurity in Missile Defense Agency Acquisitions." This served to inform MDA industry partners of new cybersecurity requirements and threats and elicited feedback from industry representatives on how they can meet the new cybersecurity requirements. MDA also

expanded a partnership with DOT&E to test and experiment with cybersecurity on MDA systems. This partnership leverages DOT&E resources and teams MDA with special cyber expertise and extensive knowledge of current threats.

The MDA Computer Emergency Response Team (CERT) performs continuous monitoring of MDA government information systems to protect and defend the confidentiality, integrity and availability of MDA networks and data. MDA is enhancing the established integrated security architecture, aligned to the Defense Enterprise Security Architecture that constantly improves methods to protect, monitor, analyze, detect, and respond to unauthorized activity within MDA information systems. Cyber boundary protection measures include state-of-the-art firewalls, intrusion detection and prevention systems, and email spam/virus prevention capabilities. The Missile Defense Agency will continue to work closely with Federal agencies, industry partners, and others to identify and implement measures to further increase the security of missile defense information while continuously seeking to improve technologies and capabilities that protect MDA critical program information.

I am proud to report we completed our first experiment with DOT&E in February. In the first experiment, MDA successfully demonstrated cybersecurity improvements that are in development. As a result of extensive interactions with a live cyber Operational Force during the first experiment, MDA will pursue new ways to strengthen cybersecurity that will be demonstrated in future experiments.

Conclusion

Mr. Chairman, we have stayed focused on our core mission. We will continue our work with the warfighter to develop, test, and field a networked, global BMD system

that is flexible, survivable, and affordable and invest in promising and potentially game-changing technology programs to ensure the BMDS will be capable of defeating the complex threats we expect to face in the future. In order to ensure we are using the taxpayer's dollars wisely and deploying effective missile defense capabilities, we will continue to test elements of the system to demonstrate that they work before we commit to their fielding. It is vital that we provide the warfighters the cost-effective and reliable weapon systems they need to do their job. I remain dedicated to committing the manpower and resources to correcting the issues in our GMD program, executing a successful intercept flight test this summer, and keeping the focus on reliability in our operational homeland defenses. We continue to make good progress in our work with our international partners, and I want to increase my focus on those important efforts.

I look forward to answering the committee's questions. Thank you.

RECENT GAO REPORT FINDINGS

Mr. FRELINGHUYSEN. Thank you for your testimony. I spoke with you briefly. Will you comment on the GAO report? I know these things appear to be timed to cause a fair amount of agony and anxiety, but I know that you're prepared to address some of the issues in there. When you read the title of the report, "Mixed Progress in Achieving Acquisition Goals and Improving Accountability," that doesn't give us a full load of confidence. We have confidence in you, but in the overall program. And I may say, speaking personally, when I talk with my colleagues about our missile defense program, the comment I get is that people are skeptical about it, skeptical about its reliability. So I think one of the things we'd like to achieve here this morning, and we perhaps will have a full complement here, certainly those that are here are keenly interested and others will come, we'd certainly like to—I'd like your initial reaction to the GAO report, because they are, in some quarters, viewed as an honest broker and have pointed out some things that have quite a lot to do with how we put our bill together—

Admiral SYRING. Yes, sir.

Mr. FRELINGHUYSEN [continuing]. And how we fund you. Thank you.

Admiral SYRING. Let me cover the program parts of the GAO report first and then I'll talk more about EPAA, European phased adaptive approach, in more detail. The GAO has, and rightfully so, pointed out issues in the past with the Missile Defense Agency on concurrency and the way that we acquire systems, and developing overly optimistic concurrent acquisition strategies, and there are examples of that in the past, but I can tell you since I've been the director, we've actually stepped back, and in some cases, redone the acquisition strategies, for example, the way that we're testing and readying for tests and new interceptors for the GBI. That was on the path to test in early 2013. It was a highly concurrent development path and testing path. It was going to be, in my view, rushed to test as opposed to completing the necessary ground and workup tests for the intercept test, so we went back to that schedule in particular and redid it. There are other program examples in MDA before we examined it with a view as more fully concurrent schedules. And coming from outside the Agency into this job, you know, we looked at it in great detail, and have actually taken a turn to go back to all of the development schedules with MDA to ensure that we properly manage and account for concurrency: and in some cases, you know, made changes.

The way forward is going to be very important in this area, because of the redesigned EKV now starting—the new radar now starting, the development of those acquisition strategies in a less concurrent way is going to be equally important to ensure their success.

So we—I actually concurred with the GAO that concurrency had been a problem. It was actually cited in the last two reports, and I think we've made great progress in that area.

Mr. FRELINGHUYSEN. We're obviously, you know, looking at some pretty substantial investments towards 2018. We want to make

sure those investments are founded on, you know, some strong assurances from you.

Admiral SYRING. Yes, sir.

Mr. FRELINGHUYSEN. Mr. Visclosky.

GROUND-BASED MID-COURSE DEFENSE

Mr. VISCLOSKY. Thank you. Admiral, let me ask you a question. We have 30 missiles deployed today, and it's anticipated that will grow to 44 by 2017—

Admiral SYRING. Yes, sir.

Mr. VISCLOSKY [continuing]. As far as deployment. If we were attacked today and we have a launch, would those work? Do you have confidence that we could shoot down a coming missile?

Admiral SYRING. Yes, sir.

Mr. FRELINGHUYSEN. You do.

Admiral SYRING. I do.

Mr. VISCLOSKY. What test results lead you to believe that?

Admiral SYRING. The prior test results in terms of actual intercept testing of the older interceptors were very successful. The CE-I, which I referred to in my testimony, had been successfully tested three different times up to the last failure and the first failure last summer. So it was 3 for 4 with those, 0 for 2 with the—CE-II.

Mr. VISCLOSKY. If I could ask, just so I know, of the 30 missiles that are underground today, do your remarks cover all 30 of those?

Admiral SYRING. Yes, sir. 20 plus 10.

Mr. VISCLOSKY. And you're saying those would work today?

Admiral SYRING. Yes, sir. The reliability calculations are factored into the shot doctrine of the warfighter. They will shoot more than one against a threat missile depending on the extent of the scene, meaning when they see a threat RV, there's other stuff that's around it, and depending on how wide that scene is will determine whether they shoot four, five, six or seven against that threat missile.

Mr. VISCLOSKY. What about the other 10 that are deployed?

Admiral SYRING. They are the newer version and they are through shot management in a status that the warfighter will only shoot those if required.

Mr. VISCLOSKY. Okay. Accepting—and I'm not suggesting you're not being forthright, accepting that the first 20 deployed would work today if we needed, the 10 are newer versions. I assume the next 14 to be deployed between 13 now and 2017 would be of the newer version?

Admiral SYRING. Correct.

Mr. VISCLOSKY. Why should we deploy any more until you have the same confidence that you could sit here and say those last 10 would work like the first 20?

Admiral SYRING. You shouldn't. We shouldn't. And that's the reason that we're going to do an intercept test this summer, and it will guide our decision with the warfighter to install the next few that are ready to be completely integrated into the ground. And then there's an annual flight test between now and 2017 that will precede every batch of interceptors before they go into the ground through 44.

Mr. VISCLOSKY. So if I understand the sequence, and I hope the tests work, I can't imagine the system that it works, the 10 in the ground would be essentially modernized. For lack of a better term. Are you telling us you wouldn't have the 31st deployed until you are certain it works?

Admiral SYRING. We wouldn't have the 31st deployed until we successfully pass the intercept test this summer.

Mr. VISCLOSKY. Is the 31st one under construction today?

Admiral SYRING. It was—it's at an intermediate stage, because when we had the failure back in December of 2010, we stopped integration and taking delivery of the GBI's for that very reason, and it would be a matter of restarting the final integration and delivery of those systems under contract.

Mr. VISCLOSKY. And if I could, just so I have a clear understanding, as I understand it, this is very pedestrian, we do have the sensors to know if somebody launches? We can track the missile? We can see if the booster works? And from what you are saying on the first 20, they were also—what you are saying is for those additional missiles that are under construction, they would not be under construction to the point that they would have to be retrofitted or modernized per the pressures cells as far as that last sequence, if you would, the end ping that's involved.

Admiral SYRING. The one—the interceptors that will fly this summer has the correction for the failure that we , saw in 2010, which is an isolated inertial measurement unit (IMU), which is basically the navigation guidance section for the missile. And what had happened, for everybody's background, was there was excessive vibration induced into that measurement unit caused by the combustion of the divert attitude control system. So when it got into space, it will fire thrusters as it sees the threat to get to the threat, and in some cases, that would go into a very rough regime in terms of lots of shaking if it needed to go fast, and it shook the IMU. And the correction is now to isolate the IMU, shock absorbers, if you will, to account for that problem with combustion if it were to have to go very quickly to the threat. That correction will be fed back into the next—to your point, to the 31st interceptor before it is fielded, and we will test that obviously this summer.

Mr. FRELINGHUYSEN. Would the gentlemen yield?

Mr. VISCLOSKY. Absolutely.

Mr. FRELINGHUYSEN. If the threat involves a lot of decoys, what happens?

Admiral SYRING. Today, we would—the warfighter would shoot more to be certain of the outcome.

Mr. FRELINGHUYSEN. And those that we shoot more of are of the same reliability—

Admiral SYRING. They would—

Mr. FRELINGHUYSEN [continuing]. Group as the one that you have enhanced?

Admiral SYRING. They would first come from the older versions that have been successfully flight-tested and then they would go to the newer versions if required.

Mr. FRELINGHUYSEN. I thank the gentleman for yielding.

Mr. VISCLOSKY. I have used enough time. I am not a fan of concurrency and going back and modernizing, retrofitting just to get

it right and then proceed. That is my concern going forward, and I am pleased that there is not going to be before final completion test until they get ready, and I hope generally.

Admiral SYRING. Sure.

Mr. VISCLOSKY. Thank you.

Mr. FRELINGHUYSEN. We are on your side. We want you to know there is a big—some questions need to be answered.

Ms. GRANGER. Thank you, Mr. Visclosky.

THREAT OF NORTH KOREA

Ms. GRANGER. Thank you. In front of us is a Washington Times article Wednesday about North Korea that poses some questions about how ready we are and how—what I would like to know is what is the assessment, how often do we do an assessment, how accurate are we, how do we get information from a country we don't have a lot of conversation with? And last week when North Korea launched those intermediate range ballistic missiles, we had no warning. So what is our system of warning? How soon did you know about that?

Admiral SYRING. There is intelligence that we've relied upon to give you both public and private testimony, and there is actually a very detailed briefing that is prepared by the intelligence community every morning that we read, myself, the chairman, the vice chairman and Secretary of Defense, so the very latest developments, and sometimes they are hourly developments, so we have very, very up-to-date information on what they are doing.

Ms. GRANGER. Is that the way the North Koreans have acted for some time, or with the change at the top? Is there a difference?

Admiral SYRING. They've acted this way during this sort of calendar year period of provocation, they did it last year, they are doing it again this year, they've done it previously in the spring. They typically knock it off about May, because that's when the rainy season happens, but we don't—we can't rely on that, but it has been on an annual basis when they've paraded these things around. In particular, my view, if they are doing this in response to the South Korean exercise that is going on, the United States would know it and you know they are shooting rockets as well into South Korea.

Ms. GRANGER. Right. Thank you.

Mr. FRELINGHUYSEN. Thank you, Ms. Granger. Mr. Owens.

GMD CONTRACTING COSTS

Mr. OWENS. Thank you, Mr. Chairman. Admiral, nice to see you again.

Admiral SYRING. Yes, sir.

Mr. OWENS. A couple questions. Mr. Visclosky had queried you about the testing in 2010. You responded that you are making modifications as a result of that failure. Who is bearing the cost of that?

Admiral SYRING. We—the contract that we signed with Boeing has us bearing the cost of that.

Mr. OWENS. Now, is that because it was a design flaw?

Admiral SYRING. It was a design flaw, but it was—it was from the design that was rushed into the ground in 2004 and 2005.

Mr. OWENS. Is that something that you are looking at in future contracting to make sure that those kinds of failures are borne by the contractor?

Admiral SYRING. Yes, sir. And the new kill vehicle acquisition strategy will include a contracting strategy that will put the latent defect design responsibility on the contractor.

MISSILE THREATS TO THE UNITED STATES

Mr. OWENS. The countries that you have listed in your testimony, India, Pakistan, China, Russia, Iran, what is the likely trajectory of a launch by them into the United States?

Admiral SYRING. There are two countries right now that possess the long—and I'll just talk about the rogue nations in particular, with North Korea and potentially Iran down the road. The estimate is that Iran could test launch an ICBM by 2015, and I would assess that North Korea could launch an ICBM at any point.

Mr. OWENS. And what would—where would the trajectory be? Would it be a polar trajectory?

Admiral SYRING. Both would come from the north over the pole. The Iranians would come close to there, but would come more to the pole than the North Koreans.

Mr. OWENS. In the event of a launch, how many rockets would you expect them to shoot at the United States? The reason I ask the question is you said that in response to a target coming in, you might launch as many as five or six missiles to intercept. If I do my math correctly, that would leave you with a limited number of additional missiles to launch against another target.

Admiral SYRING. Yes, sir.

Mr. OWENS. So do you have an understanding of what their strategy might be if they were to engage in a launch?

Mr. OWENS. So you have a reasonably high level of confidence, then, that they would only be able to launch a number of rockets that you would have the capacity to intercept?

Admiral SYRING. Today, sir. And that is why it is so critical to get to 44 by 2017. And that is why it is so critical to have these discrimination capabilities, to get the shot doctrine down to where we might only shoot two and then assess through this radar we are talking about, and then shoot more if we have to, but hopefully not.

Mr. OWENS. Thank you very much. I yield back.

Mr. FRELINGHUYSEN. Thank you, Mr. Owens. Mr. Kingston.

ISRAELI MISSILE DEFENSE SYSTEMS

Mr. KINGSTON. Thank you, Mr. Chairman. Admiral.

Admiral SYRING. Good morning, sir.

Mr. KINGSTON. Thank you for being here. I want to ask you if we are going to finish up the funding for the Iron Dome this year. And the \$176 million, is that completed?

Admiral SYRING. Right now we don't have—we don't have an agreement with them beyond that.

Mr. KINGSTON. But will it be finished? I mean, is there any reason to believe that they need more time or more money?

Admiral SYRING. I think it is safe to say they will come in and ask for more money.

Mr. KINGSTON. How much more? If you had to say, you know, is it 90 percent complete, is it 80 percent? What—how would you classify?

Admiral SYRING. Their requirement is, frankly, not well known as well as I can tell you what the U.S. requirement is and such. The funding that we requested will add two more batteries and a series of interceptors to their inventory, but what is not accounted for is how many are they expending through these uprisings and conflicts that happen. And I wouldn't say no, sir; I would say it has just not happened yet in terms of them asking for more funding, for more interceptors in particular.

Mr. KINGSTON. Is Iron Dome still the primary? I mean, you know they need David's Sling and Arrow 3 development, but is Iron Dome the number one that is put—if you have a dollar, that is where you guys spend it?

Admiral SYRING. They are most concerned about that, having the proper inventory if there were to be another large scale conflict.

Mr. KINGSTON. And what about the joint agreement clause about U.S. providers not being able to provide more than 5 percent? Does that just artificially make it awkward and run up costs? And, you know, it seems like a lot of money we are giving them to hold us at 5 percent. Not only is it a little bit small, but there should be a lot of flexibility in that.

Admiral SYRING. We actually signed a co-production agreement with them 2 weeks ago that will give 30 percent of the FY 14 Iron Dome amounts to U.S. production capacity, and FY 15 is 55 percent of what they provide to the United States.

Mr. KINGSTON. And that is not part of the run-up costs doing that? It is not an option?

Admiral SYRING. Their position is that it has increased costs somewhat. Our data is different, that you all appropriated last year \$15 million for non-recurring costs associated with co-production. Raytheon, who works very closely with us, is in contract negotiations with the Israeli Rafael Missile Company, and they indicated to us that it is no more than \$11 million in non-recurring for their standup costs. In addition, there is a detailed contract negotiation going on with Raytheon and Rafael that has an agreement clause in it that it is not—that if the costs of components provided by Raytheon exceed 5 percent, that Rafael can go to a different source. So Raytheon has a strong motivation to provide affordable costs.

Mr. KINGSTON. And then tell me where Arrow 2 and Arrow 3 are, because there was a successful flight this January, right?

Admiral SYRING. Yes, sir.

Mr. KINGSTON. And so that does mean that we are there when Arrow 3 and Arrow 2 starts getting ramped down?

Admiral SYRING. Arrow 2 has still not been through an intercept test. We've done a fly out test. We are testing the longer range target with them as well, and so is Arrow. I wouldn't say Arrow 3 is there until we get through two or three intercept tests. Arrow 2 is obviously fielded, but that is a lower tier system.

Mr. KINGSTON. How many do they have? How many do they need apiece?

Admiral SYRING. Arrow 2?

Mr. KINGSTON. Uh-huh.

Admiral SYRING. There is a series of radars and batteries. I don't know the exact number, I will get it to you for the record, but it has certainly provided a lower tier defense for them today.

Mr. KINGSTON. Whatever is unclassified in that kind of discussion would be very helpful to me, the number that they need, the number that they have in Arrow 2, 3, and what their capacity is on Iron Dome.

Admiral SYRING. I will take that for the record. I am not sure it is unclassified based on how they hold their information, but I will get the information.

[CLERK'S NOTE.—The answer was classified.]

Mr. FRELINGHUYSEN. We can talk about it here. It is just a question of whether you have the information.

Admiral SYRING. I think I will have to take it for the record, sir, to get you the exact number.

Ms. GRANGER. Can I ask a question?

Mr. FRELINGHUYSEN. Jump in. We have a small number here.

Let me add that you have brought General Greaves and Ms. Schlacter. Normally there is a huge group that comes with many of our witnesses, so we want to commend you for showing austerity.

Mr. KINGSTON. If the chairman will yield, I want to say he's not just speaking for this committee, but for other committees. I think all of us are—and it perturbs us sometimes when witnesses come and they have an entourage with them, and you wonder, well, who is running the shop, so—

Admiral SYRING. I would drive myself if I had a parking space over here. I can't seem to find parking, so—

Mr. FRELINGHUYSEN. I think Ms. Granger wanted some of your time.

Ms. GRANGER. If I could.

Admiral SYRING. Yes, ma'am.

Ms. GRANGER. Because the information that I have is that we have entered the phase of Iron Dome where that part of production would move to the United States, and when that happens, it comes out of the money, so there won't be enough funding for the interceptors that were planned for, and that is why the President's plan has less—has a fewer number than they need. Is that not right? Thank you.

Mr. FRELINGHUYSEN. Do you reclaim your time, or go to Mr. Ryan?

Mr. KINGSTON. I yield.

Mr. FRELINGHUYSEN. Mr. Ryan.

Mr. RYAN. You are a gentleman, Mr. Kingston. Thank you. When you are a senator, you will have an entourage following you around, and we will call you out on it, too.

Mr. FRELINGHUYSEN. Maybe we should strike some of this from the record.

Mr. KINGSTON. I was wondering what it will be like when I write a book. Will I get a big entourage, too?

POTENTIAL EAST COAST SITE

Mr. RYAN. No. And no advance in the House of Representatives. Sorry you had to partake in all this. The discussion of the third ground-based mid-course defense system, and Ravenna, one of the four sites, is in my congressional district, and I just wanted to talk to you a little bit about timeline. You said it is going to be about 24 months for the environmental studies to be done. Is that still the case? Is it still something you think, in your estimation, is appropriate for us to move forward with? Obviously there are a lot of budget challenges and competing interests here. Can you talk a little bit about that?

Admiral SYRING. Yes, sir. The status is that we are done. And you know this well, sir, but for everyone else, we are down to four sites that we are looking at as part of the environmental study, and all four will be evaluated and we started that process. We are also on tap to develop a contingency plan, meaning don't discuss the environmental study for 2 years and then visit this again. This is like a development plan on how you would do it when the requirement came.

So each of the sites will have a part to the contingency plan in terms of the specific issues that we have at each site in terms of how we would actually do it. It won't be the detailed, you know, design work until we actually select a site, but there is a lot of work that we can do at each site in terms of planning, requirements and acquisition, cost estimating that we will do as part of this contingency plan. It will be very comprehensive. We actually already have a very comprehensive requirements document written for a CONUS Interceptor site, meaning how would you take the requirement for A fielding 20 interceptors and then start to put it into specific language that I need this much power and this much geographic space, I need—you know, I need power at this capacity of this quality. That is just one example, but it is approximately a 300-page document, and we have worked on that over the last 6 months.

All of that will progress, and our schedule is 24 months. And that is, frankly, aggressive for an Environmental Impact Study. The DOD average is, I would say, 3 years, almost 4 years in the past, but we have people from a global deployment standpoint that have done this worldwide that know how to do it. We did it in Alaska in that same period of time, so I am confident if we had to go do this, we could. So that is point one.

Step two is your question on what is the requirement, what is the need, are we going to—you know, are we going to proceed with this. And I always answer that with the east coast CONUS interceptor site. We actually call it CONUS because east is a great value for battle space and capacity, meaning there is time to shoot later and there is time for the warfighter to assess whether we hit and killed the lethal object, or the re-entry object. That is what the east coast site is.

The priorities in terms of budget are as I laid out: Let's get to 44 interceptors by 2017; let's continue to improve the reliability of those interceptors so the warfighter has confidence; let's test those interceptors; let's focus on the discrimination and sensor capability

to the west for North Korea first; and then as Iran continues development, monitor that. Frankly, my view is Iran is behind North Korea in ICBM development in technology, but that doesn't mean they won't catch up. And I think what you will see in the 2016 budget is Admiral Haney and General Jacoby will debate this requirement vigorously, and they would testify to you that they have seen the same benefit, but it is down to, you know, what is the near midterm priority given the budget situation I am under. And I think I have recommended to you the prioritization of that budget to more focus on North Korea first and then do the preparatory work for an interceptor site.

Mr. RYAN. Where would—so obviously if you are talking about New York, Ohio, Michigan, it is a matter of seconds, I mean, the difference between—

Admiral SYRING. Yes, sir.

Mr. RYAN. So where would this interceptor—if one was coming to the east coast, where would the collision be? Where would they meet?

Admiral SYRING. It would hopefully be up towards the northern part of Canada, north of—between the pole and Canada for a first shot, and then further on down if we hadn't hit it by then, but in all likelihood, you know, we have factored in, you know, where the booster would drop. That is actually the biggest concern in terms of when you shoot, where the booster drops, the first and second stage booster, and we would work to mitigate that through the flight control software to make sure it was developed.

Mr. RYAN. Thank you, Mr. Chairman.

Admiral SYRING. And if I could just add, sir, the intercept in all likelihood, you know, it is in space, and the possibility, I mean, as the debris comes down, it will burn up on re-entry.

Mr. RYAN. Thank you, Mr. Chairman.

Mr. FRELINGHUYSEN. Thank you, Mr. Ryan. Mr. Womack.

THREAT OF NORTH KOREA

Mr. WOMACK. Thank you, Mr. Chairman.

We continue to see some alarming activity from North Korea, most notably from last year's launch. And I'd like to know what we have learned from those activities either about their capabilities or our own, and have any of these lessons surprised you?

Mr. WOMACK. What is your take-away from that?

Admiral SYRING. That they are becoming more provocative and less caring about the international reaction.

Mr. WOMACK. So we know they have the capability. Does that change the—and we have known they have that capability, so it doesn't weigh in at all to any of our pre-planning into what, if any, response we would have for any provocative action on their part?

Admiral SYRING. Yes, it does. And when I talk defense, I am only one part of the equation, but this is the offense-defense strategy that Admiral Haney can talk to you more about and Admiral Winnefeld. In terms of when we do something preemptively, you know, that would be their decision, whether it is something that would trigger that level. I wouldn't say that the tests of an SCUD,

you know—you know, advanced SCUD would trigger that sort of reaction.

Mr. WOMACK. Thank you. I will have more questions later. Thank you.

Mr. FRELINGHUYSEN. Mr. Cole, are you ready?

Mr. COLE. I will pass this round. And thank you, Mr. Chairman.

MISSILE DEFENSE TEST FAILURES

Mr. FRELINGHUYSEN. I guess I have some time. What is considered to be a—what constitutes a failure? I certainly get the impression that sometimes when things fail, there is some positive spin to it. I sort of detect that. Is that something that I am misinterpreting?

Admiral SYRING. In terms of our failures?

Mr. FRELINGHUYSEN. Yes.

Admiral SYRING. No, sir. A failure is a failure, and until we successfully achieve an intercept with the new version of the GBI, it is unproven.

DISCRIMINATION AND SHOT DOCTRINE

Mr. FRELINGHUYSEN. Talk to the committee a little bit about what is called, and I refer to it along with Mr. Visclosky, that the decoy, the whole issue of discrimination here. People are going to be launching something, and you are suggesting that North Korea perhaps will be. And I think at times we are dismissive of North Korea's capabilities. I am not suggesting you feel that way, but I think sometimes people think it is sort of a Rube Goldberg and that things got shot over Japan and plopped into the sea, and in reality, they have ginned up their game, they have got a lot of people that have committed to this missile technology. Tell us about how we discriminate and how difficult that is in terms of the overall—maybe just refer to what we call the shot doctrine.

Mr. FRELINGHUYSEN. So how are we “doing”?

Admiral SYRING. Today we do not have the homeland defense discrimination capability. So today you look up and you see a cluster of objects. And certainly there is discrimination capability on the kill vehicle itself, but that is leaving it to chance. What you—what the warfighter will do is, based on how wide that cluster of objects is, they will shoot four, five, six interceptors into the cluster. This cluster can be seven kilometers wide. So what will happen is the kill vehicles as they come into the scene, will go for what they determine to be the most lethal object. That could be the re-entry vehicle, that could be the tank, that could be a decoy. The idea is based on the extent of the cluster and the number of lethal objects in that scene, we will put the proper number of interceptors up there to ensure that we kill the re-entry vehicle.

Mr. FRELINGHUYSEN. So they could shoot one, we could shoot four or six?

Admiral SYRING. Yes, sir.

Mr. FRELINGHUYSEN. It really depends.

Admiral SYRING. It does, on the extent of the cluster.

SEA-BASED MISSILE DEFENSE

Mr. FRELINGHUYSEN. Okay. Just educate me a little bit here. We have got sea-based.

Admiral SYRING. Yes, sir.

Mr. FRELINGHUYSEN. Is there a greater degree of reliability with the sea-based? Evidently there is.

Admiral SYRING. Sir, the sea-based intercept tests last 10, 12 years, 28 for 34 successful intercepts. A much longer track record. The spy radar in the newer version of the Aegis weapon system computer program, it is called version 4.0, and the new missile, which has been developed and tested, which is the SM-3 missile, this is a follow-on to the capability of the 1A, has a two-color seeker in the kill vehicle, which enables it to not only just discriminate from a Radio Frequency standpoint, but be able to now discriminate in two colors in terms of picking the decoy out of a potential infrared decoy scene. So lots of capability on the SM-3 interceptor. Not probably the same capability on the kill vehicle, but certainly the kill vehicle we designed that we requested is going to have that capability, the onboard discrimination capability as well. The spy radar is very good at the later versions in terms of discriminating a decoy scene. We have tested it against decoys. Last flight test, actually, had decoys up in the scene, and it picked up the lethal object and put a standard missile on the target.

COSTS OF MISSILE DEFENSE SYSTEMS

Mr. FRELINGHUYSEN. So put some numbers on the cost of what you are doing here and how much we have gotten for the amount of money we have invested?

Admiral SYRING. Yes, sir. The ground based mid-course defense system has—since 2001, we have spent just over \$22 billion. By 2019, with the request you have in front of you, it will be \$30 billion. The two improvements that I have asked for, pleaded for, is to get on with the kill vehicle redesign to get out of the prototype nature of the versions that were fielded very rapidly and to provide the varied discrimination capability I spoke about.

The kill vehicle redesign is just over \$700 million over a period of years and the radar is just over \$900 million. So we are talking about an additional development in that range for what I view as a rapid set increase in capability.

RELIABILITY CHALLENGES

Mr. FRELINGHUYSEN. This is just a personal observation. Your soft underbelly, sort of what I referred to earlier, is just the skepticism about, you know, that this type of investment, and you are not in the public relations business, but in reality, these tests that are recorded, maybe they are not recorded the way that you would like them to be recorded, but there is a sort of essence here that we are making these substantial investments, our committee, I think, has been right there with you, that things are not working out. You are assuring us with a great degree that they are, could work out within the time span. We often have a history of pushing things to the right here.

Admiral SYRING. Sir, I have been the director now for 16 months.

Mr. FRELINGHUYSEN. I know your involvement is incredibly important. Maybe program source, you know.

Admiral SYRING. And we have been very successful with that program and the Aegis program in terms of the systems that are delivered can intercept any time we shoot. So it is not a matter of hit-to-kill technology being flawed. It is a matter of restoring or putting that discipline into this development for the mid-course defense program.

You know—the fielding direction the President gave in 2001, early 2002 was to put these into the ground and provide some defense against the rising North Korean threat. The design cycle was cut short, the system engineering-cycle was cut short and the prototypes were fielded, and, you know, we said we would come back and improve it. And what I am saying as the new director is now it is that time.

Mr. FRELINGHUYSEN. Mr. Visclosky.

MULTIPLE KILL VEHICLE TECHNOLOGY

Mr. VISCLOSKY. Thank you, Mr. Chairman.

Mr. VISCLOSKY. For an individual booster that is in the ground today, are there more than, if you would, one kill vehicle on top of that booster?

Admiral SYRING. No, sir.

Mr. VISCLOSKY. So when in response to the chairman's question, our launch capability, you are saying two, three, four depending on the decision-maker, those would be the whole booster, everything?

Admiral SYRING. One would be one, yes, sir.

Mr. VISCLOSKY. If you had 30 in the ground today, we launch four, we have got 26 left?

Admiral SYRING. That is correct.

DISCRIMINATION CAPABILITIES OF GROUND-BASED INTERCEPTORS

Mr. VISCLOSKY. As you are doing the research, and I assume—and, again, there is just implicitly the difference between the 20 that you have confidence in and the new version is that ability to discriminate as to where that re-entry vehicle is what you want to destroy, to improve that ability?

Admiral SYRING. I would say it somewhat—I would say it differently, sir, if I could. That the discrimination capability of the CE-I, the older version, and the CE-II is not different.

Mr. VISCLOSKY. Okay.

Admiral SYRING. What we are talking about in terms of the difference in those versions was that the CE-II, and it is hard to say, because it hasn't intercepted yet, was done to improve some of the reliability concerns with the prototype nature of the CE-I's.

Mr. VISCLOSKY. And we are talking about a degree of probability. As you proceed with research and development, is the goal in the end, and there is no certainty in life, is that you increase certainty at a launch as opposed to probability? Is that what you are looking towards as far as your shot doctrine?

Admiral SYRING. We want to—certainty of launch is part of the overall what I call reliability of each interceptor, meaning what

confidence do we have that it will launch, it will boost, it will separate and it will kill. And there are probabilities assigned to each of those. And the warfighter has to be nearly 100 percent confident, so his shot doctrine accounts for the reliability. So if it is—say, it is 70 percent, he knows that it will statistically provide 99 percent, 99.9 percent assurance to the American people that we are going to kill the re-entry vehicle, he's going to shoot more.

Mr. VISCLOSKY. We talk a lot about the North Korean's and Iranian's, the question I have is capability, assume in a sense because, if you would, I am an old person, I remember mutually assured destruction, that is essentially the deterrent.

Admiral SYRING. Yes, sir.

Mr. VISCLOSKY. Thank you very much, Mr. Chairman.

Mr. FRELINGHUYSEN. Thank you, Mr. Visclosky. Mr. Cole.

Mr. COLE. Thank you, Mr. Chairman. And I apologize for getting here late, but I was working for Mr. Calvert on another subcommittee.

Mr. FRELINGHUYSEN. Our sympathy.

Mr. COLE. But my heart was always with you, Mr. Chairman.

Mr. FRELINGHUYSEN. Oh.

CANCELLED EUROPEAN MISSILE DEFENSE SITE

Mr. COLE. Looking at some of the range of possibilities, I know we have made some decisions that are both diplomatic and military in recent years, one of which was to cancel the deployment of anti-missile defense systems in Poland and the Czech Republic. Given what we have seen with the Iranians, and it wasn't designed to deal with the Russians, although I think it probably diplomatically had an impact on their thinking, certainly they reacted to it, would it be wise for us to revisit, based on your capacity, looking at those things, first from the Iranian perspective, but also there is clearly an ancillary diplomatic advantage for us? I won't ask you to comment unless you choose to.

Admiral SYRING. I have been asked this question before. The third site, not to relive history, but I have done a lot of research on it in terms of the challenges that they faced, it wasn't an easy thing to go do. There was obviously some benefit in terms of homeland protection against the Iranian threat, but the more near-term problem was the vast expansion of the Iranian regional threat to our allies and deployed forces. And the decision to go back and say let's focus on the region was made, and there are people on either side of that decision, but it was made for good reason.

And, you know, I have gone back and looked at what did the actual—what would a two-stage GBI in the Czech Republic really provide? And it would encumber the same issues that I have spoken to the chairman and the ranking member about in terms of reliability. We'd be in the same place we are with having to shoot a bunch of interceptors at one threat.

So the better decision at this point—and then there was uncertainty on the radar in terms of the Czech Republic that caused us to put the radar there, as I understand. The better discussion is that it will provide the most defense to the United States would be to first do what we are doing, which is discrimination, and then second, to do work with the interceptor site to prepare for that.

And it would provide the added interceptor capability. And it would just not be east coast interceptor capability. You can do it today with the 30 going to the 44 to protect the east coast against the Iranian threat. I had concerns, personally, about the trajectories from Iran and our ability to cover all of that from a third site in Poland.

THREATS FROM IRAN

Mr. COLE. Thank you. That is very helpful, because it wasn't so hard—let me ask you another question concerning the Iranians. Obviously as you are developing our defensive capability—we are watching the defense capability. You have been doing it for a considerable period of time. Give me some assessment of how they are progressing in terms of their offensive capability. Are they doing it about as we anticipated? Are they having problems that maybe set them back or are they ahead of the trend?

Admiral SYRING. I'm sorry, sir. You said Iran or North Korea?

Mr. COLE. Iran.

Mr. COLE. Thank you, Mr. Chairman.

Mr. FRELINGHUYSEN. Thank you. Just remind members that this is a classified hearing, so what you are hearing could not be repeated in some other form outside the room.

Mr. Moran.

SM-3 1B TESTING

Mr. MORAN. Thanks very much, Mr. Chairman. I apologize for being late, but we had a terribly important hearing under Chairman Calvert, so you can understand.

You talked about the GAO report. And I did want to clarify, though, Admiral, they suggested that you delay Raytheon's 3—SM-3 Block 1B missile until further more successful testing was achieved. Have you done that? Have you carried through that part of the recommendation?

Admiral SYRING. No, sir. Let me tell you why. The—

Mr. MORAN. Has this been asked before?

Mr. FRELINGHUYSEN. It has. And I apologize. The coffee machine has a way of regurgitating when we want to hear you. Please speak up.

Admiral SYRING. The SM-3 1B went through and successfully intercepted five of six times. And the SM-3 was built off—the SM-3 1B was built off the SM-3 1A, and we have actually intercepted successfully with both of those 20 of 22 times. The testing that we did in the 1B intercept program, that coupled with the ground testing that was done, the reliability calculation for the missile, meaning how reliable was it against this requirement, right now it is exceeding its reliability requirement with margin.

Mr. MORAN. So you said the GAO report was outdated, then, in terms of its conclusions with regard to that?

Admiral SYRING. I didn't agree with their conclusion on the SM-3 1B program.

THREATS FROM PAKISTAN

Mr. MORAN. Okay. Thank you. Admiral, it is understandable we talk a lot about North Korea when we talk about missile defense and Iran, so on, but I continue to have nagging concerns over Pakistan. If the worst was to happen and Pakistan's government imploded, what preparations do you have with regard to Pakistan and its nuclear capability?

Admiral SYRING. Sir, with all due respect, I would be out of my league answering that question.

Mr. MORAN. Yeah. Okay.

Admiral SYRING. And better suited for Admiral Haney or—

Mr. MORAN. Sure. Okay.

Admiral SYRING [continuing]. Or Admiral Winfield.

Mr. MORAN. All right.

Admiral SYRING. It would be speculation and personal opinion, which is not helpful to you.

MISSILE DEFENSE PRIORITIES

Mr. MORAN. Yeah. Okay. If you were asked to cut the missile defense program substantially and you had to pick two out of three, for example, what would you choose would be the most expendable in terms of our missile defense system? Of course, you are Navy. Why am I asking?

Admiral SYRING. The pressure and the requirements that I get from all of our combatant commanders is to actually be doing more than we are. Honestly—I should be doing more and providing more, I should be providing more navy ships, we should be providing more missiles, I should be providing more GBI's, I should be advancing the capability faster, I should be doing more with directing energy. There are a lot of things that we are doing that are okay given the budget situation and that they understand you can't always do everything, but there is not one program right now that I would put a bullet in.

Mr. MORAN. And I am sure the Air Force is going to say the same thing, I suspect, on that.

General GREAVES. Yes, sir. I support the Admiral.

Admiral SYRING. But I have got to say, sir, I don't know if you track this, but we were pursuing the PTSS satellite program and the SM-3 2B missile program, and both of those in last year's budget were killed. And I came in as the new director, was asked to assess both, and I agreed with both of those decisions. Technical immaturity, concurrent acquisition, overselling the actual capability of what those could provide, frankly, the cost, billions of dollars to get to field either one.

Mr. MORAN. How much did we save when we killed those programs?

Admiral SYRING. My estimate on the 2B development was 5- to \$6 billion development program. PTSS was in the \$10 billion range, probably.

Mr. MORAN. Mr. Chairman, thank you.

Mr. FRELINGHUYSEN. Thank you. Mr. Calvert.

GROUND-BASED MID-COURSE DEFENSE

Mr. CALVERT. Yes, Mr. Chairman. I apologize also, with all these hearings going on, but I appreciate your indulgence.

So if a question has already been asked, please let me know, but as you know, the Pentagon announced a tactical shift in the ballistic missile defense strategy, changing the focus from the overseas to more of the domestic protection of the homeland. And part of that action, as I am sure has been talked about, is increasing the number of ground-based interceptors from 30 to 44. However, as I understand it, some of the mid-course defense tests have failed, and I am not sure if that is the same standard missile testing you were talking about or if that is another missile also, and so that has been raising some questions of reliability and performance. So on these Missile Defense Agency, these ground-based mid-course defense systems, how do you see the recent test failures, and if it is the same failures, I am not sure if they are or not, how that is going to impact the purchase of additional ground-based systems?

Admiral SYRING. The last two tests of the new GBI have failed, and we have been in extensive rework period of the two issues that we saw during that flight test. They have been tested in a non-intercept flight test back in January of last year. We will test that again this summer, sir, in an intercept test, and we are confident through the testing we have done in the non-intercept flight testing, we are ready.

The question is, what does it mean, the 44, which is a good question. And what I have said previously to the ranking member was in the budget request before you, we have asked for an intercept every year between now, and, frankly, it is every year between now and fiscal year 2018 before we field the next batch of interceptors. So there is an intercept test this summer that will inform our decision to field the next eight, which puts us on a wave, on a path to 44. So the intercept test in fiscal year 2015, that forms the next batch to fiscal year 2017, so we have confidence.

Mr. CALVERT. So that is going to affect the timeline for the installation and deployment of these ground units?

Admiral SYRING. If there were a failure on the intercept test, yes, sir.

Mr. CALVERT. What initiatives is the Missile Defense Agency taking to improve the overall performance of the entire ballistic missile defense system in the near and long-term?

Admiral SYRING. Primarily in the area of discrimination.

Mr. CALVERT. Does that mean decoys?

Admiral SYRING. Yes, sir.

Mr. CALVERT. When you discriminate—

Mr. FRELINGHUYSEN. Mr. Calvert, we have covered some of this ground, but a little bit.

Admiral SYRING. Yes, sir. Decoys, the ability to pick out a re-entry vehicle from the decoy scene.

Mr. CALVERT. Thank you.

Mr. FRELINGHUYSEN. Mr. Crenshaw.

MISSILE DEFENSE CAPABILITY ON NAVY SHIPS

Mr. CRENSHAW. Thank you, Mr. Chairman. And I apologize for being late. I had to chair another subcommittee. I know we are all busy. But welcome, Admiral. And thank the chairman.

This is, I know, the first time we have had a briefing like this, and I think to your credit, sir, and I am glad you are here before the subcommittee. I imagine you have talked a lot about all the issues that surround ballistic missiles, missile defense. It is the one thing that I wanted to bring up, because we talk a lot in this subcommittee about numbers matter, and I know if we don't have the land-based missile defense that I am sure you have talked about already, the fact that a lot of that will now be designated for ships, cruisers and destroyers, and we have heard testimony in this subcommittee often that we don't have all the ships that we need, and when we have less ships, then we have less capability. So could you just comment on that, on that piece? For instance, one of the things we heard from the Secretary of the Navy, there is a plan to lay up 11 cruisers, take them out of service, not decommission them, but it will take up to 9 years to modernize them, so they will be docked somewhere. So when we have less ships, it seems to me we have less capability. Can you comment on that as it impacts your ability to do the things you need to do?

Admiral SYRING. We have today 30 ballistic missile defense ships in the Navy, and those are in extraordinarily high demand by the combatant commanders, and in some cases, and all cases we are not meeting the full requirement as is. They take risks. They understand that. Because you need to consider ship stations and deployment, times and maintenance times, you really begin to—up to 10 of the 30 are available at any one point in time. About a third is a good metric. We are going to have 43 ships by 2019, which is going to be vitally important to them.

The other part of both the modernization plan and the new construction plan going forward is that when we build a destroyer or we modernize a destroyer, or cruiser for that matter, it will come with a computer program and missiles to be multi-mission, meaning it will have all the mission capability it has today plus ballistic missile defense, which I think is going to give the combatant commanders great flexibility in the future where you don't have to think about the BMD destroyer, you think about a destroyer, and it is inherent that the BMD capability—

Mr. CRENSHAW. But just until we get to that point, I guess we are assuming, like any situation, more risk and we have got to balance that.

Admiral SYRING. Yes, sir.

Mr. CRENSHAW. Thank you. Thank you, Mr. Chairman.

Mr. FRELINGHUYSEN. Thank you. Mr. Kingston.

STEM EDUCATION

Mr. KINGSTON. Thank you very much, Mr. Chairman. Admiral, we hear a lot that we are falling behind on STEM and STEM education in the years, and I am never really sure how much of that is politically popular rhetoric versus how much is reality. But, you know, just incredible to understand that, you know, your mission's

been described as hitting a golf ball in outer space 200 miles away, and it takes a lot of smart kids to do that. So I was just wondering, you know, is it really—are we really dangerously behind on STEM? Are we getting there?

Admiral SYRING. We—

Mr. KINGSTON. And I am not asking for expert testimony and all that, but just a general question.

Admiral SYRING. We at the Agency, we have a very active STEM program to go and not just deal with the college folks graduating, but to get in at the high school level as well with the importance of science technology. And I will give you an anecdotal metric, if it is useful to you.

When we have an opening for a rocket scientist, because that is what we have, you know, people with—the smartest people, and I have said this, probably the smartest people in the world working at the Missile Defense Agency. We haven't yet seen a problem with qualified applicants in terms of getting the right people to come work on a very exciting mission. I have many more applicants than what we have space for. So people want to work there, people understand the importance.

That said, I do—I agree with your premise that there is a wider problem in the United States of growing those type of people. The STEM metric that I see and internalize is that between China and India, there are 2.4 billion people, and society says about 10 percent of those will be exceptional, high performing people, so their gene pool every year is 240 million exceptional, high performing people. Our population is 320 million, so we are picking from 32 million people every year, if you will. So we are up against those sort of volume and metrics, and, frankly, I am concerned about it.

Mr. KINGSTON. When you are looking at those applicants, which universities are you typically seeing that, you know, are really turning them out? And I don't necessarily mean that they are the best and the brightest, but that their interest level is pushing them in your direction?

Admiral SYRING. The United States Naval Academy. That is a guaranteed job.

Mr. KINGSTON. That was a setup. I know, this is a very important question. As you know, I went to Georgia Tech, but I wanted to throw some bones to some of the people.

Admiral SYRING. Not Notre Dame.

Mr. FRELINGHUYSEN. Your time is expired. Notre Dame is recognized, Mr. Visclosky.

Admiral SYRING. Yeah. We are seeing—we see a lot of candidates from MIT, from Virginia Tech, frankly, from the University of Alabama in Auburn, down in the Huntsville area, and there is no shortage of qualified engineers coming out of those schools that want to work on missile defense.

Mr. FRELINGHUYSEN. Mr. Visclosky, equal time.

Mr. VISCLOSKY. You get some gold stars there.

Mr. FRELINGHUYSEN. He did his homework, didn't he?

TRANSITION OF MISSILE DEFENSE TO THE SERVICES

Mr. VISCLOSKY. He did his homework.

On the transition of missile defense, a couple of questions. What is the plan as far as the transition of elements of your ownership to the military services for operations?

Admiral SYRING. Yes, sir. That the system is being transferred in terms of the THAAD batteries that have been fielded and transferred to the Army. We are going to in total field seven THAAD batteries, and as they are completed in production, they will transition to the Army. The Aegis systems, as they field and are tested, transition to the Navy for operation. Certainly we continue to participate in terms of the operation and support of the BMD's specific missions, which is a part of what they do just so that the Navy is not funding that all on their own, so there is an operation and support tail for us for that system. We also help the Army.

There is a small cell that helps the army with the THAAD system as well to continue the engineering support, software support that they need from us, but those two systems transfer to the Navy and the Army. The GMD system has resided and I think will reside with me for, you know, the foreseeable future. It is operated by the Army National Guard up in Alaska and under the control of the northern command and the strategic command, but given the low procurement quantities and, frankly, the issues that we are working through, that is still my responsibility in terms of development in the field.

Mr. VISCLOSKY. Of the \$7.5 billion request, are there iterations of those expenditures in the services in the existing budget or is there a transition as far as what the military will be picking up out of that amount? Of the various services, I should say.

Admiral SYRING. There are agreements that reside with each of the services on what the plan is for transition and their responsibilities.

Mr. VISCLOSKY. And I assume that they are continuing to grow, then, to some point as you continue to transition.

Admiral SYRING. Yes, sir. We will assume more of the THAADs and the issues responsibilities, just like the Army has completely taken over the Patriot, for example.

Mr. VISCLOSKY. Thank you, Mr. Chairman.

ISRAELI MISSILE DEFENSE PROGRAMS

Mr. FRELINGHUYSEN. Just reclaiming, thank you, Mr. Visclosky, my time. Just a few comments on the relationship, our relationship with the state of Israel. I do think that the investments our committee has made certainly if your nation's survival depends on technology to some extent, that is what we are—we have—I think we have provided them with a degree of survivability. And I would think in some ways they are a sort of test bed for technology and expertise. And I am sure you would assure us that you are following very closely everything they are doing?

Admiral SYRING. Yes, sir, we are; on the development programs, very, very close.

Mr. FRELINGHUYSEN. This committee's been involved, I think, for maybe 15 years. God only knows whether it was on Arrow for a long time.

Admiral SYRING. We are co-developing them with Arrow. And I have a program manager who is, frankly, in Israel today working with them.

Mr. FRELINGHUYSEN. Oh, it is a commendable situation, and I think we benefit from that.

Admiral SYRING. We rely on them and their expertise. Without them, we couldn't do it.

RUSSIAN AND CHINESE CAPABILITIES

Mr. FRELINGHUYSEN. Just could you briefly comment—sometimes we take our eye off the ball. How will you briefly describe where the Russians are, where the Chinese are? Oftentimes we use these expressions, you know, this nation is more robust than the other and then some perhaps not up to speed. How would you classify your counterparts in Russia and China in a brief summation?

Admiral SYRING. Yes, sir. Their ballistic missile defense capability in both nations is increasing numbers and capability, and we know that. And we know that we will never be——

Mr. FRELINGHUYSEN. Land-based, space-based?

Mr. CRENSHAW. Will the gentleman yield on that point?

Mr. FRELINGHUYSEN. Yes. Mr. Crenshaw.

Mr. CRENSHAW. I read that we are having talks—when we cancelled the missile defense in the Czech Republic, Poland, that we had conversations with Russians about missile defense and then, of course, after the Ukraine, we halted those. Is that going on, that we are sharing information?

Admiral SYRING. No, sir.

Mr. CRENSHAW. Not true?

Admiral SYRING. Not since I have been the director——

Mr. CRENSHAW. Thank you.

Admiral SYRING [continuing]. For 16 months.

Mr. FRELINGHUYSEN.

Admiral SYRING. On Russia information. Sure.

Mr. FRELINGHUYSEN. Well, Russia and China's capabilities.

Admiral SYRING. Yes, sir. We'd be happy to provide that.

Mr. FRELINGHUYSEN. Some of this I am familiar with, some of it I am not that familiar with, but I am sure everybody—part of their education appreciate that opportunity.

Admiral SYRING. The other thing, Mr. Chairman, if I can.

Mr. FRELINGHUYSEN. Please.

Admiral SYRING. The advance—you have all heard about the CSS Five, the 2-1 ballistic threat from China, and they have tested that several times and they have a few dozen in their inventory, is the ability of a ballistic missile at 1,600 kilometers to target our sea base, and we are—in this budget have proposed a sea-based terminal defense program to field on the Aegis class ships with the SM-6 missile to defeat that threat.

Mr. FRELINGHUYSEN. Well, we will set something up.

Ms. Granger.

Ms. GRANGER. Thank you. Mr. Chairman, I would want to make note of the fact that I also had a subcommittee meeting, however, I was on time. I was on time. I just thought I would mention that.

Mr. FRELINGHUYSEN. We could not have a meeting without you.

Ms. GRANGER. Thank you very much.

Mr. FRELINGHUYSEN. You are vice chairman.

SHARING OF INFORMATION AMONG THREAT NATIONS

Ms. GRANGER. That is right. Thank you.

I was in Saudi Arabia, and the Saudis were talking about what was going on with Iran and how vital it was that we stop them from having a nuclear weapon. And the person I was talking to drew lines from that situation, if they had nuclear weapons, to the countries that would share and ensure their nuclear weapons all over the world, frankly. So I think it would be good also, what you are talking about and where Russia and China is, but also who's sharing and what their capabilities are. And I just ask you today, what is the likelihood that North Korea would sell their technology to Iran, or are they already sharing it?

Admiral SYRING. High. Yes, ma'am.

Mr. FRELINGHUYSEN. Would the gentlewoman yield?

Are you saying that they, what, 17 years ago gave, you know, launch, missile launch stuff to Iran?

Admiral SYRING.

ISRAELI MISSILE DEFENSE PROGRAMS

Ms. GRANGER. One other short question, and I have information right now, but if we were to fill in the gap on the interceptors that Israel has said that they agree upon a number that is lower right now, what is the cost of that to fill in that gap?

Admiral SYRING. I was just telling the other distinguished member that we don't—we have asked, and to get their true requirement is very difficult for us. And they hold that very, very close.

Ms. GRANGER. Thank you.

Mr. FRELINGHUYSEN. Mr. Calvert or Mr. Cole. Mr. Aderholt gets 3 minutes.

RAILGUN TECHNOLOGY

Mr. CALVERT. Thank you, Mr. Chairman.

Just a quick question. And maybe this is more theater defense versus ballistic defense, but this new Railgun technology coming online, I have read about the potential as a deterrent, especially for theater-type systems but do you see any future in that?

Admiral SYRING. I do. And we are working closely with the Railgun office on what it actually might provide. Certainly it is on the right side of the cost equation in terms of the cheaper projectile, but there are several technical challenges in terms of the gun barrel, the projectile that have to be worked through, but we are very interested in that technology.

INDEPENDENT ASSESSMENTS OF PROGRAMS

Mr. CALVERT. One other quick question. I would imagine in your world, assessment of the systems have to be absolutely right on. So how important is independent assessment of these type of systems to make sure that there is no prejudice involved?

Admiral SYRING. Critical. I actually—my test plan is actually co-signed with Dr. Gilmore in DOT&E, so he approved my test plan. And I couldn't have any more—I couldn't have a stronger partnership for that very reason.

Mr. FRELINGHUYSEN. Mr. Cole.

Mr. COLE. Just quickly for the record, if those guys from Alabama were that smart, they wouldn't have underestimated Oklahoma in the Sugar Bowl. A Texan would never make that mistake.

Mr. FRELINGHUYSEN. That will be part of the record.

MISSILE DEFENSE PARTNER NATIONS

Mr. COLE. I am still living in the afterglow of the moment.

We talked a lot in this committee about the cooperation, the cooperative relationship we have with Israel in this particular area. Can you discuss, if any, the cooperative relationships we have with our European allies, other countries that we are working with jointly on this and the degree of help that is to our program?

Admiral SYRING. Yes. First I will talk NATO, then I will talk other examples of countries. Cooperation we have through NATO, we actually feel in 2011 the command and control capability, and their command and control in Europe is actually connected to our command and control as well to share information, share situational information from their standpoint. So there is actual interconnectivity between the United States and NATO on that.

The partnerships that we have geographically are with Poland, Romania, the ability to send destroyers to Spain. This is more classified than we talked about today, work going on with the United Kingdom in a couple of very key areas. We are in discussions with the Netherlands on how they can provide sensing capability with their ships when they are at sea to provide the coverage as part of the network. And I would say that there are two or three other countries that we are working with to provide at least a situational awareness, certain tracking capability from their sources. The Netherlands and Germany were very forthright in terms of putting Patriot batteries into Turkey with the Syria uprising, and we are thankful for that. And I think there are technology opportunities in overhead sensing satellite capability that we continue to pursue a different classification of.

CYBERSECURITY

Mr. COLE. One additional question, quickly, if I may, Mr. Chairman.

You must be, from a foreign intelligence perspective, about the most tempting target in the United States in terms of technology, in terms of the things you deal with. Could you give us some description of, number one, your confidence that you are able to fend that off, and the kind of threats that you see coming—particularly, obviously, as it is related to cyber security, but any other just secu-

rity concern you might have, that the technology that you have, which is very pressing and very important, you know, is ever at risk of being stolen or compromised.

Admiral SYRING. We have actually a 24/7 cyber security cell at MDA, meaning a fully manned, 24-hour watch team of individuals—I won't tell you the number, it would fill this room—that monitor the network trafficking and intrusion that happen every day, the people that are trying. And they are trying. And I have stood up, and this was stood up before me, but there is an active defense at MDA to counter that very specific threat.

Mr. COLE. Okay. Thank you. Thank you, Mr. Chairman.

Mr. FRELINGHUYSEN. Excellent question.

Mr. Aderholt, gentleman from Alabama.

NEW EXO-ATMOSPHERIC KILL VEHICLE

Mr. ADERHOLT. Thank you, Mr. Chairman. I apologize for being late. As you know, our full committee chairman has a busy schedule of hearings, and I just came from my chairing an Agriculture hearing. So thank you for letting me come in a bit late this morning.

I want to ask about the EKV. I was wondering if you could provide the committee what kind of profile and what kind of freedom of procedures you would need in order to test and deploy a new EKV by fiscal year 2018, and any comments that you could make about that?

Admiral SYRING. Yes, sir. The reason for the request is well known in terms of factoring it to more manufacturing, testing of the EKV. We requested because we are trying to get out of the design that was fielded back in the early 2000s of a prototype. And, frankly, to the chairman's point, we have had issues with that design, and the need to get this to a very high .99 reliability is critical for the long-range defense of the Nation. We requested \$729 million in this year's budget, which includes the adequate funding for flight testing that EKV in 2018. We will actually do a non-intercept flight test and a flight test in 2018 to test that. And if those are successful, that will serve as the basis for us to begin manufacturing of those kill vehicles to go to the new interceptors, but maybe more importantly, to go back to the interceptors that are in the ground, where we can form fit replacement and take out the current EKV and put the new EKV in. That would be the plan long-term starting in 2020.

Mr. ADERHOLT. If I don't know where you have it, but could you provide us with a list of how many interceptors each of our regional combatant commanders have requested broken down by base command?

Admiral SYRING. Yes, sir, for the record.

[The information follows:]

The fiscal year (FY) 2015 President's Budget funds an increase of the Ground-Based Interceptor (GBI) force from 30 to 44 by the end of FY 2017. Currently there are 26 GBIs emplaced at Fort Greely, Alaska with 4 remaining at Vandenberg Air Force Base, California. Location for the additional GBIs will be at Fort Greely or as directed.

With regard to regional ballistic missile defense systems, the combatant commanders submit their requirements to the Joint Staff (J-3) for validation, prioritization, and apportionment by the Joint Staffs global force management proc-

ess. The Missile Defense Agency defers to the Joint Staff for the specifics on how the interceptors are apportioned.

AEGIS ASHORE

Mr. ADERHOLT. Okay. And I wanted to ask about your comments on the progress of working with our allies on Aegis ashore developments.

Admiral SYRING. Yes. The Romania development is doing very, very well. Mr. Chairman, to your point and others that have read the EPAA, the GAO EPAA report, I would take issue with the characterization of that, because we are on track. We actually fielded the command and control capability for EPAA phase 2 in late 2011, and that will be the capability that will be required for 2015 fielded in Romania. So that will bring with it the ability to, and we have it today, the ability of each ship to conduct launch operations, meaning able to fire from the ship without having a track on the radar. And we demonstrated that with two flight tests in the past 2 years. So that launch on remote capability is what gives you the coverage in Europe, so that we are going to have ships stationed there. And in order to get the wide defended area along with the Aegis ashore site in Romania gives us the first increment of European coverage, with the second increment provided by Poland in 2018. All of that is on schedule, on track. I took a briefing this morning on it, as a matter of fact.

TWO-STAGE INTERCEPTOR

Mr. ADERHOLT. And just briefly, the two-stage version of the GMD interceptor and how it compares at coverage with the Aegis ashore deployment of our largest SM-3 missile, including development, would it be a strategic advantage to have those?

Admiral SYRING. We have a plan for a two-stage test in this year's budget. We have always had a plan it is going to be tested out in the 2019 time frame. There is some development work that has to go out and finish the testing to follow up on the testing that was done several years ago, but our plan still remains to field a two-stage interceptor, both at Vandenberg and Fort Greely. It provides us the flexibility with the three-stage to handle problems with interceptors in terms of, say, we are not successful at two-stage, has a much shorter range, so if you needed to, you fire one of those in the end game just to make sure you have got it. So we view it as very complementary capability and required capability.

As far as commenting about the two-stage, I went over this previously, the two-stage in Poland back in—it was cancelled back in 2009, it would have been the subject of the same shot doctrine limitations I have today with the current GBIs, so the ability to defeat, you know, more than one or two threats is probably what the tender provided. And in my estimation, it is best for us to focus on making use of the interceptors that we have with discrimination capability to get the shot doctrine down to protect the whole United States with less interceptors. We can do that today, but the shot doctrine is not where we want to be long-term, and it is up to me to provide the tools to make that decision.

Mr. ADERHOLT. Thank you.

LASER SYSTEMS

Mr. FRELINGHUYSEN. Thank you. Just a couple of questions. When I first got on the committee, Jones & Bartlett kept pounding me on the magnetic pulse. I am not sure where the momentum—where that is these days, but I do have concerns. I know we have some investments in laser systems. I think we cancelled one, but this is—I come from the school, let's expect the unexpected. What are we doing, and perhaps more importantly, what are, let's say, the Russians and Chinese doing in this area? I hate to think we would be making all these substantial investments, but I assume as we do that, we are taking a look at ways that they could be disabled, crippled or, for that matter, vaporized.

Admiral SYRING.

Mr. FRELINGHUYSEN. Well, I am talking about that, but I will be willing to talk about what you were talking about. I was just wondering where we are relative perhaps to—are the Russians and Chinese working on something and behind the scenes in their various stovepipes? I assume they must be doing something.

Mr. FRELINGHUYSEN. Any further questions, Mr. Calvert? And now Mr. Womack has a question as well.

Mr. CALVERT. Just on your question on EMP. Are systems hard enough to withstand any attack?

Admiral SYRING. Yes, sir.

Mr. FRELINGHUYSEN. Mr. Womack.

LEVELS OF RISK

Mr. WOMACK. Since Mr. Kingston asked the question about STEM, as a proud graduate of Arkansas Tech and not hearing my school in the response, I somehow don't feel qualified to ask any more questions.

Actually, I do have one, and I have asked this of others. You mentioned earlier in your testimony all of the requests that you get from the combatant commanders for stuff, for your capability, and I know you try to get to yes on every request because you want to, but I also know that you can't get to yes, because you are in a resource-constrained environment. So what is the acceptable level of risk that you are—that we have to be willing to take as a country when we are not in a position to respond to the combatant commanders with exactly what they would prefer to have in their AOR?

Admiral SYRING. The process that we use is through the strategic command and their prioritized capability list. They come up, and General Haney comes up with a list of requirements for across all of their combatant commanders, so they feed him what their missile requirements are. He says, this is my priority, prioritized capability list. I then send back what is called an ACL, which is an achieve capability list, meaning here are your priorities and here is what I am doing to meet them. And I would say in large part they are met.

Now, there are limitations to the number of Aegis ships that are driven by the Navy, right, in terms of I just can't—I can't build a ship. I modernize the ship with BMD capability based on the Navy's, so there is limitation in that way, but I think we have done an excellent job in terms of structuring our program to meet the combatant commanders' requirements with very few exceptions.

CONCLUSION

Mr. FRELINGHUYSEN. Thank you.

As we conclude, I would just remind members we discussed some sensitive information which we should not—you know, not only us, but we are taking a look at perhaps some of our potential adversaries, we don't want to give anybody information that would be inappropriate. So please be careful about what you say.

And, Admiral, thank you on behalf of the committee for the work that you do. Appreciate it.

Admiral SYRING. Thank you.

Mr. FRELINGHUYSEN. We stand adjourned.

[CLERK'S NOTE. Questions submitted by Mr. Frelinghuysen and the answers thereto follow:]

AEGIS SYSTEM AND SM-3 IB MISSILE PRODUCTION

Question. The fiscal year 2015 budget request procures three upgrades and five new installations of the Aegis system on ships, as well as 30 SM-3 Block IB missiles (\$398 million), and advance procurement for future missiles (\$69 million). There are concerns with the production ramp—up to 52 missiles were appropriated in fiscal year 2014, and last year's budget request assumed procurement of 72 missiles in fiscal year 2015. However, instead of 72 missiles in fiscal year 2015, the request only provides for 30 missiles and plans for 48 missiles in fiscal year 2016. This profile will likely cause instability in the contractor's production line and will increase unit costs.

Admiral Syring, the request for the SM-3 Block IB missiles has been cut by 42 missiles, and is 22 fewer missiles than what was appropriated in fiscal year 2014. What effect does this have on the production line and the unit cost of each interceptor? Is this a smart path for procurement?

Answer. The Missile Defense Agency (MDA) has procured a total of 77 Standard Missile-3 (SM-3) Block IB missiles within the last 10 months (29 missiles placed on contract in June 2013, 4 missiles placed on contract in August 2013, 8 missiles placed on contract in January 2014, and 36 missiles placed on contract in March 2014). We will place an additional 4 to 8 SM-3 Block IB missiles on contract by June 2014 for a potential total of 85 since June 2013. We anticipate awarding the 30 SM-3 Block IB missiles planned in the President's Budget (PB) 2015 by February 2015. With a total of 115 SM-3 Block IB missiles in a 21-month period, the production line has sufficient quantities to remain stable.

The missile quantity reduction requested in PB 2015 is due partly to advance procurement funding of missile components with lead times that exceed the current 24-month SM-3 Block IB planned production schedule. This production schedule was established by the acquisition strategy during production of SM-3 Block IA missiles and initial production of SM-3 Block IB missiles. Some SM-3 Block IB components have lead times that exceed the 24-month production contract. These lead times range from 26 to 35 months from contract date to first all-up round delivery. The cost increase of \$2M per round is due to a reduction in the size of order purchases and a reduction in production efficiencies within the SM-3 Block IB facilities.

We are confident that our acquisition strategy is sound. We are reviewing the opportunity to enter into and execute a multi-year procurement contract for full rate production of SM-3 Block IB guided missiles starting in fiscal year 2016. A multi-year procurement strategy for the SM-3 Block IB missile will provide additional production line stability resulting in lower unit costs.

Question. The budget request also includes advance procurement funding for SM-3 Block IBs with the goal to request authorization for multi-year production in next year's request. What cost savings do you hope to achieve with this plan?

Answer: The Missile Defense Agency is compiling cost and pricing data to support an independent cost estimate by the Office of the Secretary of Defense, Cost Assessment and Program Evaluation for a fixed-price multi-year contract. We expect to complete this analysis to support the President's Budget 2016 submission. SM-3 Block IB multi-year procurement authority is being evaluated for cost savings and programmatic stability across a four-year period (fiscal years (FY) 2016 through FY 2019) for a range of 182–197 missiles. We expect a 10–15 percent reduction in SM-3 Block IB unit cost through:

- Savings from economic order quantity buy
- Mitigation to missile components experiencing obsolescence, such as electronic components (circuit cards)
- Production efficiencies through better use of facilities and predicted work force requirements for the activities scheduled over the four-year period

SM-3 BLOCK IIA Co-PRODUCTION WITH JAPAN

Question. The fiscal year 2015 budget request procures up to 17 SM-3 Block IIA development missiles prior to beginning full production in the future. However, recent cost estimates from Japan suggest that the components they are supplying are higher than anticipated and unaffordable in the future. The SM-3 IIA is already estimated to cost almost \$28 million per round.

Admiral Syring, cost estimates for Japanese components of the SM-3 IIA missile are coming in higher than anticipated. What is the plan to keep the missile at an affordable price? If Japanese industry is unable to lower their costs, what is the plan to procure those components and how would that affect the procurement schedule?

Answer. The SM-3 Block IIA research, development, test, and evaluation (RDT&E) contract for 17 missiles to support integration and test is not awarded yet. The independent government estimate for the 17 RDT&E missiles is \$28.0 million per missile. The Missile Defense Agency (MDA) is working with the prime contractor (Raytheon Missile Systems) and the Government of Japan to refine the unit cost and start affordability measures before contract negotiations.

An action item from the February 2014 United States–Japan Executive Steering Committee set a requirement for the Japan Ministry of Defense and the MDA to define SM-3 Block IIA production cost targets at section and missile assembly level. Further, they were to identify design options to achieve cost targets, develop an update cycle to implement design options, and define production insertion points. This effort will help the Japanese manufacturer identify design options achieving cost targets, identify cost reduction initiatives, and find opportunities to implement identified cost initiatives into the SM-3 Block IIA design.

In another action item, the U.S. prime contractor (Raytheon Missile Systems) was tasked to analyze U.S. capabilities for addressing Japanese component affordability. This analysis will give us the chance to insert identified cost initiatives into the design.

We are awaiting results of the above action items before determining affordability measures to take for production of the SM-3 Block IIA.

Question: What is the acquisition objective for SM-3 IIA missiles, and how does that compare to the number that Japan is planning to procure?

Answer: MDA is working with the Navy and Combatant Commanders to define a long-term SM-3 Block IIA procurement objective. Per the President's Budget 2015, 17 research, development, test and evaluation missiles and 44 production missiles will be procured between fiscal year (FY) 2017 and FY 2019. Japanese total procurement is planned for 16–32 missiles.

Question: What is the procurement schedule for the SM-3 IIA missile, how will it be deployed, and what role does it have in the larger BMD system architecture?

Answer: The SM-3 Block IIA research, development, test and evaluation contract for 17 missiles to support integration and testing is not awarded yet. To accommodate scheduled flight tests, these missiles will be delivered starting in the fourth quarter of fiscal year (FY) 2017 through the third quarter of FY 2019. Current test events defined by the Integrated Master Test Plan (IMTP) 14.1 require firing eight SM-3 Block IIA missiles. Spare SM-3 missiles will be available for each flight test. Spares will roll to the next test event if not used.

SM-3 Block IIA rounds not used in flight tests will support the validation of contractor manufacturing readiness (MR). They will prove-out manufacturing processes, provide information on reliability, maintainability and supportability, and refine cost estimates. This MR data, along with the flight test data, is necessary to support the initial production decision (second quarter of FY 2017) and the final production

decision (second quarter of FY 2019). We will evaluate all unexpended rounds for deployment to support European Phased Adaptive Approach Phase III (December 2018).

The SM-3 Block IIA program is on track for deployment in December 2018 to enhance the Ballistic Missile Defense System intermediate range ballistic missile defense capability. The SM-3 Block IIA will include increased raid engagement capabilities and capability to defeat a larger, more sophisticated threat set. With the Aegis BMD 5.1 weapon system, the engage on remote capability will permit engaging targets at extended ranges based on track data from remote BMDS sensors.

EUROPEAN PHASED ADAPTIVE APPROACH/AEGIS ASHORE

Question. However, last week Secretary of Defense Hagel and British Defense Minister Hammond agreed on the need to bolster missile defense systems in Eastern Europe. It was reported that they want to speed up the timeline for the placement of missile defense systems in Poland, which are scheduled to be operational in 2018 as part of Phase 3.

Admiral Syring, are the EPAA and Aegis Ashore programs on schedule to meet the 2015 and 2018 timelines?

Answer: Yes, the Aegis Ashore program is on schedule to meet the 2015 and 2018 timelines for EPAA Phase II and Phase III, respectively.

Question: If the Aegis Ashore installation in Poland could be completed earlier, would it be outfitted with SM-3 IB missiles instead of SM-3 IIA missiles since the timeline for deploying the SM-3 IIA missiles is not until 2018? How would that affect the SM-3IIA program?

Answer: The Aegis Ashore system will be able to launch SM-3 Block IA, IB and IIA missile variants. Should the decision be made to deploy Aegis Ashore Poland earlier than the current 2018 date, initial deployment of the system would not include capabilities in the Aegis BMD 5.1 weapon system (required to launch the IIA missile) or SM-3 Block IIA missile. This decision would not affect the SM-3 Block IIA program of record.

Note: The Missile Defense Agency delivers all SM-3 missiles to Navy Fleet Forces Command (FFC) for allocation to combatant commanders. FFC determines the mix of variants deployed to ships and ashore based on ballistic missile defense requirements through the Global Force Management process.

[CLERK'S NOTE.—End of questions submitted by Mr. Frelinghuysen.]

TUESDAY, APRIL 8, 2014.

U.S. AFRICA COMMAND

WITNESS

GENERAL DAVID M. RODRIGUEZ, USA, COMMANDER, U.S. AFRICA
COMMAND

OPENING STATEMENT OF CHAIRMAN FRELINGHUYSEN

Mr. FRELINGHUYSEN. I would like to recognize the ranking member Mr. Visclosky for a motion.

Mr. VISCLOSKY. Mr. Chairman, I move that the hearing today, which involves classified material, be held in executive session because of the classification of the material to be discussed.

Mr. FRELINGHUYSEN. So ordered.

Thank you, Mr. Visclosky.

Again, Members, what is discussed in here stays in this room.

The United States Africa Command is one of six of the U.S. Department of Defense geographic combatant commands and is responsible to the Secretary of Defense for military relations with more than 53 African nations in its area of responsibility, the African Union and the African Regional Security Organization. While still based in Stuttgart, Germany, AFRICOM is responsible for all of the Department of Defense operations, exercises and security cooperation on the African Continent, its island nations and surrounding waters.

AFRICOM began its initial operations in October of 2007 and officially became an independent command 1 year later. Although AFRICOM is relatively new, the command is very relevant, primarily due to the growing presence of al-Qa'ida and other terrorist organizations spreading across the continent. Much like Afghanistan prior to 2001, the African Continent has become the new haven for extremism. It has always been dealing with issues that relate to ethnic and religious hatred, and it is faced each and every day with incredible poverty among many of its people. With 6 of the world's 10 fastest-growing economies and a population of 1 billion that will double by 2050, Africa's importance to U.S. national interests will only increase.

We are pleased to welcome General David Rodriguez, the Commander of AFRICOM. He has commanded at every level and most recently led the U.S. Army Forces Command, the Army's largest organization.

Thank you, General, for testifying before the subcommittee today. May I also add that you are a distinguished graduate of West Point, and, most importantly, your wife comes from Red Bank, New Jersey.

As we have discussed, the committee is concerned that certain African countries over ready-made havens for terrorist training and

recruitment activity during a time in which our way of life, and may I say their way of life, has been threatened by those with radical beliefs. The area within your command, because of its vastness and unmonitored country borders, is a prime target for extremist activity.

We are particularly alarmed about the proliferation of more sophisticated IEDs, which I am sure you will tell us more about, and which you are intimately familiar because of your many years in the Middle East.

And may I say I have a personal interest, and I am sure Members of Congress do, about the growing role of China and Russia, not only China's economic role, but the whole issue of foreign military sales. I think that sort of is something—an area where we may concentrate this morning.

We look forward to your testimony, and I would like to yield to my ranking member Mr. Visclosky for any comments he may wish to make.

Mr. VISCLOSKY. Mr. Chairman, thank you for holding this hearing.

General, I appreciate your service and your testimony today, and I do look forward to it. Thank you very much.

Mr. FRELINGHUYSEN. Thank you.

General Rodriguez, the floor is yours. Your formal statement will be put in the record, and I appreciate your being here.

[CLERK'S NOTE.—The complete transcript of the hearing could not be printed due to the classification of the material discussed.]

[The written statement of General Rodriguez follows:]

STATEMENT OF
GENERAL DAVID M. RODRIGUEZ, USA,
COMMANDER, UNITED STATES AFRICA COMMAND
BEFORE THE HOUSE APPROPRIATIONS COMMITTEE
SUBCOMMITTEE ON DEFENSE
8 APRIL 2014

INTRODUCTION

United States Africa Command is adapting our strategy and approach to address increasing U.S. national interests, transnational security threats, and crises in Africa. The African continent presents significant opportunities and challenges, including those associated with military-to-military relationships. Regional instability and growth in the al-Qa'ida network, combined with expanded responsibilities for protecting U.S. personnel and facilities, have increased our operational requirements. While our activities can mitigate immediate security threats and crises, reducing threats to the United States and the costs associated with intervention in Africa will ultimately hinge on the long-term development of effective and democratic partner nation security institutions and professional forces that respect civilian authority. The development of democratic security institutions and professional forces will be most effective if undertaken in the broader context of civilian-led efforts to strengthen governance and the rule of law. Together, these efforts will support enduring U.S. economic and security interests.

In the near term, we are working with African defense leaders, multinational organizations, European allies and interagency partners to address the immediate threats of violent extremism and regional instability. African partners are increasingly leading regional security efforts, and we are making significant progress in expanding collaboration and information-sharing with African and European partners as we help to build capacity and enable partner activities. We are working closely with other combatant commands and U.S. Government agencies to increase our operational flexibility.

The opportunity costs associated with addressing immediate threats and crises have made it more challenging to pursue our broader objective of expanding the positive influence of effective and professional African security forces. We accomplish this primarily through military-to-military engagement with countries that have the greatest potential to be regional leaders and influencers in the future. This includes countries already on positive long-term trajectories, as well as those that face a long road ahead in building trusted security institutions that enable responsive governance and economic progress. Strengthening relationships with current and potential regional powers is key to shaping the future security environment to advance our enduring national interests of security, prosperity, values, and promoting international order.

Our expanding operational requirements and their associated opportunity costs make it vitally important that we align resources with priorities across the globe, strengthen and leverage partnerships, and further enhance our operational flexibility. In Fiscal Year 2013, we conducted 55 operations, 10 exercises, and 481 security cooperation activities, making Africa Command an extremely active geographic command. We are pleased with what we have been able to accomplish with modest responses tailored to support local requirements, despite being one of the smallest combatant commands. Modest investments, in the right places, go a long way in Africa.

STRATEGIC ENVIRONMENT

Africa is on the rise and will be increasingly important to the United States in the future. With six of the world's ten fastest growing economies, a population of 1 billion that will double by 2050, and the largest regional voting bloc in multilateral organizations, Africa's global influence and importance to the national interests of the United States and our allies are significant – and growing. Perceptions of the United States are generally positive across the African continent, providing natural connections on which to build and pursue shared interests.

In spite of many upward trends, Africa's security environment remains dynamic and uncertain. While the continent's expanding political, economic, and social integration are positive developments as a whole, they are also contributing to Africa's increasing role in multiple transnational threat networks, including the global al-Qa'ida network and drug trafficking networks reaching into the Americas, Europe, the Middle East and South Asia. Countering the growing activity of the al-Qa'ida network in Africa and addressing instability in key nations are our primary near-term challenges. The collective aftermath of revolutions in Libya, Tunisia, and Egypt, including uncertain political transitions, spillover effects, and exploitation by violent extremist organizations of under-governed spaces and porous borders, are key sources of instability that require us to remain vigilant in the near term. In the long term, our military-to-military engagement can help to reinforce and shape relations with those countries that have the greatest potential to positively influence security on the African continent, now and in the future.

Growth of the al-Qa'ida Network in Africa. Instability in North and West Africa has created opportunities for extremist groups to utilize uncontrolled territory to destabilize new governments. The network of al-Qa'ida and its affiliates and adherents continues to exploit Africa's under-governed regions and porous borders for training and movement of fighters, resources, and skills. Like-minded extremists with allegiances to multiple groups increasingly collaborate in recruitment, training, operations, and financing across Africa and beyond. Terrorists are learning their trade abroad, returning to their countries with hard-earned skills that increase their lethality. North Africa is a significant source of foreign fighters in the current conflict in Syria. Syria has become a significant location for al-Qa'ida-aligned groups to recruit, train, and equip extremists, who may also present threats when they return home. The increasingly syndicated and active violent extremist network in Africa is also linked to core al-Qa'ida, which is on a downward trajectory, and al-Qa'ida in the Arabian Peninsula, which is resurging and remains intent on targeting the United States and U.S. interests overseas. Multinational efforts are disrupting terrorist training, operations, and the movement of weapons, money, and fighters, but the growth and activity of the violent extremist network across the African continent continue to outpace these efforts. Additional pressure in east Africa and the Sahel and Maghreb regions, including efforts to counter violent extremist ideology and promote improved governance, justice, and the rule of law, are required to reduce the network.

Regional Instability. Current conflicts across the African continent vary widely in character, but share a few basic traits: complexity, asymmetry, and unpredictability. The internal instability associated with weak states can trigger external consequences that draw responses from the United States, African partners, and the broader international community. Weak governance, corruption, and political instability are often mutually reinforcing. Food insecurity and access to natural resources, including water, can exacerbate state weakness, drive human migration, and heighten social disruptions and regional tensions. The cumulative effects of instability in Africa draw considerable resources from countries and regional organizations on the continent, as well as the broader international community; nearly 80 percent of United Nations peacekeeping personnel worldwide are deployed in missions in Africa. In some countries, the failure of governments to deliver basic services to the people and enforce the rule of law has fueled distrust and fear in the government and security forces. Where a country lacks good leadership, external actors have only a modest capacity to positively influence the country's future. Where there is leadership that has the best interests of the country at heart, the United States and other partners can apply judicious measures to help the country move forward.

Regional and global integration. Political shocks and post-revolutionary transitions in North Africa continue to reverberate throughout the greater Mediterranean Basin and, by extension, the Middle East, Europe, and Sub-Saharan Africa. Africa is increasingly important to our European allies, who are directly affected by the rising economic and political influence of some African countries, as well as the symptoms of instability emanating from other countries. Many European allies view Africa as the source of their greatest external security threats, including terrorism, illegal migration, human smuggling and trafficking, and drug and arms trafficking. Our support to allies in addressing mutual security challenges in Africa may influence their willingness and ability to help shoulder the burden in future conflicts in other areas of the world. The African continent's energy and strategic mineral reserves are also of growing significance to China, India, and other countries in the broader Indian Ocean Basin. Africa's increasing importance to allies and emerging powers, including China, India, and Brazil, provides opportunities to reinforce U.S. security objectives in other regions through our engagement on the continent. While most African countries prefer to partner with the United States across all sectors, many will partner with any country that can increase their security and prosperity. We should be deliberate in determining where we leave gaps others may fill.

MISSION

Africa Command, in concert with interagency and international partners, builds defense capabilities, responds to crisis, and deters and defeats transnational threats in order to advance U.S. national interests and promote regional security, stability, and prosperity.

APPROACH

We believe efforts to meet security challenges in Africa are best led and conducted by African partners. We work with partners to ensure our military efforts support and complement comprehensive solutions to security challenges that leverage all elements of national and international power, including civilian efforts to gradually strengthen governance, justice and the rule of law.

We work closely with African and European partners to shape the security environment, share information, address immediate mutual threats, and respond to crisis. We coordinate with U.S. Government agencies and U.S. Embassies to ensure our activities support U.S. policy goals and the efforts of U.S. Ambassadors. We also work closely with other combatant commands, especially European Command, Central Command, Special Operations Command, and Transportation Command, to mitigate risk collaboratively, including through force-sharing agreements; by sharing intelligence, surveillance, and reconnaissance assets; and by posturing forces to respond to crisis. The trust and teamwork between multinational and interagency partners is vital to the success of collective action.

Military activities are executed by Defense Attaché Offices, Offices of Security Cooperation, and six subordinate headquarters, some of which are shared with U.S. European Command: U.S. Army Africa and Southern European Task Force, U.S. Naval Forces Europe and Africa, U.S. Marine Forces Europe and Africa, U.S. Air Forces in Europe and Air Forces Africa, U.S. Special Operations Command Africa, and Combined Joint Task Force – Horn of Africa.

Africa Command's activities support partner efforts in six functional areas: countering violent extremist organizations and the networks that support them; building defense institutions and forces; strengthening maritime security; supporting peace support operations; supporting humanitarian and disaster response; and countering illicit flows of drugs, weapons, money, and people. The command assists in the development of defense institutions and forces as part of a broader U.S. Government effort. Our contributions also support the development of the African continental and regional security architecture. The capacities we help to build can strengthen the ability of our partners to combat wildlife poaching and illegal, unreported, and unregulated fishing. Our long-term advisory relationships with militaries in fragile states help build and support local capacities as our partners make gradual progress toward stability, in their own ways and at a pace they can sustain.

Africa Command's primary tools for implementing our strategy are military-to-military engagements, programs, exercises, and operations, which are supported by our strategic posture and presence on the continent.

- Our **engagements** support bilateral relationships managed by U.S. Ambassadors and play a critical role in strengthening military-to-military relations in a region where we have little forward presence.

- Our **programs** and combined **exercises** strengthen defense institutions and the effectiveness of U.S. and partner forces. They also build trust and confidence, enhance interoperability, and promote adherence to the rule of law and respect for human rights. When planned appropriately, combined training and exercises can also help to preserve and enhance the readiness of U.S. and partner forces.
- Our **operations** are closely coordinated with regional and interagency partners and other combatant commands. When possible, our operations are planned and executed with the military forces of local partners, with the United States in a supporting role. In certain cases, our tailored advise, assist, and accompany teams help to enhance the effectiveness of partner operations, with lower risk to U.S. forces.
- Our strategic **posture** and **presence** are premised on the concept of a tailored, flexible, light footprint that leverages and supports the posture and presence of partners and is supported by expeditionary infrastructure. Our single enduring presence in the region is at Camp Lemonnier in Djibouti, which provides a critical platform for our activities, as well as those of Central Command, Special Operations Command, and Transportation Command. The operational challenges of conducting our activities across Africa, and their associated risks, are significant. Our limited and highly dispersed presence on the continent makes intelligence, surveillance and reconnaissance; mobility; medical support; and personnel recovery capabilities especially important to our mission, and I expect these requirements to grow in the future. As we look to future requirements, diversifying our posture to include a maritime capability would increase operational flexibility in support of crisis response and other high-priority missions.

To address future requirements and mitigate risk to our national interests in Africa, we are pursuing the following actions, which focus on increasing collaboration with partners, enhancing operational flexibility, and closing key gaps:

- Strengthening strategic relationships and the capabilities and capacities of partners, including by investing in developing defense institutions and providing robust training and education opportunities.
- Expanding communication, collaboration, and interoperability with multinational and interagency partners, to enable increased alignment of strategies and resources and avoid inefficiencies.

- Adapting our posture and presence for the future to reduce risk to mission and personnel, increase freedom of movement, expand strategic reach, and improve our ability to respond rapidly to crisis. Leveraging and supporting the posture and presence of partners are critical elements of our approach.
- Working with the intelligence community to improve our ability to share information rapidly with multinational and interagency partners, with the goal of making this the norm, rather than the exception.
- Leveraging combined training and exercises to strengthen interoperability and maintain readiness of U.S. and partner forces.
- Utilizing flexible, tailorable capabilities, including the Army's Regionally Aligned Force; the Marine Corps' Special Purpose Marine Air Ground Task Force; and Special Operations Forces and General Purpose Forces advise and assist teams embedded in institutional, strategic, operational, and tactical headquarters to strengthen partner capability and support regional, African Union, and United Nations peace operations.
- Increasing operational flexibility by developing additional force-sharing agreements with other combatant commands and working with U.S. Embassies to seek diplomatic agreements to facilitate access and overflight.
- Working with the Joint Staff and Office of the Secretary of Defense to pursue the increased assignment and or allocation of forces by properly registering the demand signal for critical capabilities.
- Working with the Joint Staff and Office of the Secretary of Defense to address gaps in key enablers, including mobility and intelligence, surveillance, and reconnaissance, to support partnered and unilateral operations.
- Leveraging strategic communications and military information support operations as non-lethal tools for disrupting the spread of violent extremist ideology, recruitment, and messaging.

IMMEDIATE PRIORITIES

COUNTERING VIOLENT EXTREMISM AND ENHANCING STABILITY IN EAST AFRICA

Al-Qa'ida affiliate al-Shabaab remains a persistent threat in Somalia and East Africa. African Union Mission in Somalia (AMISOM) and Somali forces have been challenged in regaining the momentum against al-Shabaab, which responded to losses of territory by conducting asymmetric attacks in Somalia and Kenya.

AMISOM's recent increase in force strength and the integration of Ethiopia, which played a major role in multinational security efforts in Somalia last year, are positive developments that will help AMISOM and Somali forces to more effectively counter al-Shabaab, particularly if the international community is able to source key enablers.

U.S. and partner efforts in Somalia focus on strengthening the ability of AMISOM and Somali forces to disrupt and contain al-Shabaab and expand state-controlled areas to allow for the continued development of the Federal Government of Somalia. The international community is also supporting the development of security institutions and forces in Somalia, to set the conditions for the future transfer of security responsibilities from AMISOM to the Somali National Army and Police.

U.S. support to preparing AMISOM troop contributing countries for deployment to Somalia has enhanced partner capacities in peacekeeping and counter-terrorism operations. The United States continues to support AMISOM troop contributing countries in preparing for deployment, primarily through contracted training funded by the Department of State and increasingly supported by military mentors and trainers. Our military efforts have expanded in the past year to include planning and coordination with AMISOM and multinational partners, primarily through a small U.S. military coordination cell in Somalia, which is also conducting assessments to inform future security cooperation proposals. Precise partnered and unilateral operations continue to play limited but important roles in weakening al-Shabaab, and the support and collaboration of Central Command and Special Operations Command, including through force-sharing arrangements, have been critical to the effectiveness of operations in Somalia.

In waters off Somalia, piracy rates remain stable following recent steep declines. Piracy and armed robbery at sea in the western Indian Ocean and Gulf of Aden have decreased significantly since 2011, reflecting the combined effects of multinational military operations, the capture and prosecution of many suspected pirates, and improved industry security measures, including the use of armed guards. In 2013, zero ships were hijacked in nine attempted attacks in the region, compared to 27 hijackings in 166 reported attempts in 2011. Success in counter-piracy efforts in the western Indian Ocean, another area of strong collaboration with Central Command, may offer useful lessons for the Gulf of Guinea, where maritime crime rates remain at concerning levels.

We will continue working with multinational and interagency partners, as well as other combatant commands, to support efforts to reduce the threat posed by al-Shabaab in Somalia and maintain improvements in maritime security in the western Indian Ocean. We will also look for opportunities to support the development of Somali defense institutions and forces.

COUNTERING VIOLENT EXTREMISM AND ENHANCING STABILITY IN NORTH AND WEST AFRICA

In North and West Africa, we have made some progress in forging regional and multinational cooperation to combat the spillover effects from revolutions in Libya, Tunisia and Egypt. These revolutions, coupled with the fragility of neighboring states, continue to destabilize the region. The spillover effects of revolutions include the return of fighters and flow of weapons from Libya to neighboring countries following the fall of the Qadhafi regime, and the export of foreign fighters from North Africa to the Syrian conflict. Terrorist groups in North and West Africa have expanded their operations, increasing threats to U.S. interests. Al-Qa'ida affiliates and adherents, and other terrorist groups, have formed a dispersed network that disregards borders and uses historic trading routes to exploit vast areas of weak government control. Al-Qa'ida affiliates and adherents operating in North and West Africa include al-Qa'ida in the Islamic Maghreb (AQIM), Ansar al-Shari'a in Benghazi, Ansar al-Shari'a in Darnah, Ansar al-Shari'a in Tunisia, and Moktar Belmoktar's al-Mulathameem Brigade, which has morphed into al-Murabitun.

Among the countries in the region that have recently experienced revolutions, Tunisia appears best poised to succeed in its transition to a new government, and its military has been a stabilizing factor through the transition. In Libya, the security situation is volatile and tenuous, especially in the eastern and south-western parts of the country. Militia groups control significant areas of territory and continue to exert pressure on the Libyan government, which is challenged to provide basic security and services. We are supporting Libyan efforts to improve internal security by participating in a multinational effort to support modest defense institution building and the development of security forces, to include General Purpose and Special Operations Forces. We are currently in the planning stages and expect to begin program implementation later this year.

In many places in the region, U.S. assistance is having positive effects on strengthening the counter-terrorism and border security capacities of regional partners and maintaining pressure on terrorist organizations. In Mali, French and African forces reduced the territory controlled by AQIM and other terrorist groups last year and provided space for democratic progress, including elections. Thirty-five (35) countries, including 16 African countries, have pledged troops to the United Nations Multidimensional Integrated Stabilization Mission in Mali (MINUSMA). U.S. support has enabled MINUSMA and French operations to secure key cities and disrupt terrorist organizations. The Department of State has led U.S. efforts to support the preparation of African troop contributing countries for MINUSMA deployment with non-lethal equipment and pre-deployment training supported by U.S. military mentors and trainers. U.S. forces are also advising and assisting MINUSMA forces. Mali faces a key security transition this year as French forces reduce in the country and Malian and MINUSMA forces assume greater security responsibilities.

In addition to supporting partner efforts to stabilize Mali, our programs and exercises are helping our regional partners disrupt and contain the threat posed by Boko Haram. Boko Haram continues to attack civilian and government facilities in northern Nigeria and has extended its reach into parts of Cameroon, Niger, and Chad. Nigeria has relied on a primarily military approach to counter Boko Haram; we are working with Nigeria and drawing on lessons from U.S. experience in counter-insurgency efforts to support efforts to develop a more comprehensive approach that respects universal human rights and ensures perpetrators of violence are brought to justice.

We are actively increasing regional cooperation with African and European partners, including in information-sharing and combined training, exercises, and operations. Our cooperation builds security capacity and can help to reinforce our partners' willingness to advance our shared interests. Our enabling support to French operations in Mali is advancing collective security interests while also reinforcing this critical trans-Atlantic security relationship. In addition to participating in the strong and growing multinational cooperation across North and West Africa, we continue to work with the Department of State and the U.S. Agency for International Development through the Trans-Sahara Counterterrorism Partnership to build longer-term, comprehensive regional counter-terrorism capacity.

Enhancing regional approaches will be essential to effectively addressing the root causes of instability and countering the growth and freedom of movement and action of terrorist elements across the network. As part of this, deepening our cooperation with African and European partners will enhance our mutual ability to leverage combined posture and presence to address immediate threats in the region. As we work with partners to support the development of democratic security institutions and professional forces, parallel progress in civilian-led efforts to strengthen governance, the criminal justice sector, and the rule of law will be critical to sustainable progress. We are grateful for the Congress's continuing support for the foreign operations appropriations that make these latter efforts possible, and enable a "whole of government" approach in this critical region.

PROTECTING U.S. PERSONNEL AND FACILITIES

While we have the responsibility to help protect all U.S. personnel and facilities on the African continent, our activities this past year focused heavily on supporting the Department of State in strengthening the security of high threat, high risk diplomatic missions in 15 locations across North, East, West, and Central Africa. The sheer size of Africa and the continent's limited infrastructure constrain the rapid deployment of crisis response forces to many of these locations, posing significant risks to mission and personnel.

Our current response forces consist of Army Regionally Aligned Force and Marine Corps Special Purpose Marine Air Ground Task Force elements, a Fleet Anti-Terrorism Support Team, and a Commander's In-extremis Force. The majority of our response forces are based in Europe, with the exception of the Regionally Aligned Force element known as the East Africa Response Force, which is based at Camp Lemonnier, Djibouti.

Recent operations to support the Department of State in securing U.S. personnel and facilities in South Sudan tested our crisis response capabilities. As the situation in South Sudan unfolded, indications and warnings provided by intelligence, surveillance, and reconnaissance proved vital to understanding the situation and informing the timely repositioning of assets. The East Africa Response Force provided security augmentation to the U.S. Embassy, and the Central Command Crisis Response Element and the Special Purpose Marine Air Ground Task Force – Crisis Response assisted in evacuation operations. This was a strong joint and interagency effort that included robust support from the Army, Navy, Air Force, Marines, and Special Operations Forces, as well as other combatant commands and the U.S. intelligence community. Our ability to deploy

forces rapidly reflected the unique circumstances of the situation, including sufficient advance warning to allow the prepositioning of response forces near South Sudan, and was not representative of the speed with which we would typically be able to respond to requests from the Department of State to secure U.S. personnel or facilities throughout the continent.

We are working with the Department of State to refine crisis indicators, work toward a common understanding of decision points and authorities for evacuation operations, and identify options to improve response times. Developing additional expeditionary infrastructure to enable the rotational presence of response forces at locations where we currently have limited or no presence would increase our ability to reduce response times, given sufficient advance warning of crisis.

ENHANCING STABILITY IN THE GULF OF GUINEA

Despite modest increases in regional capabilities and cooperation in the past year, maritime criminal activities in the Gulf of Guinea remain at concerning levels. Maritime insecurity in the Gulf of Guinea continues to negatively affect commerce, fisheries, the marine environment, food security, oil distribution, and regional economic development.

Several West African littoral countries, including Nigeria and Senegal, are addressing maritime threats actively and encouraging greater regional cooperation. The Economic Community of Central African States and the Economic Community of West African States are also promoting regional cooperation to address maritime crime, including by establishing combined patrols. Regional cooperation and interoperability are essential, given the threat and the small size of naval forces relative to the area of waters to be patrolled.

Africa Command will continue to work with Gulf of Guinea partners to build capacity and conduct combined operations through initiatives like the Africa Partnership Station, the African Law Enforcement Partnership, and counter-narcotics programs. Our maritime security exercises facilitate regional maritime cooperation and interoperability. These efforts support and complement civilian initiatives that address the root causes of maritime crime by strengthening governance and criminal justice systems and promoting economic development.

The political will of African governments and the development of comprehensive approaches to maritime security that emphasize civilian security and law enforcement elements will be critical to improving regional maritime security.

COUNTERING THE LORD'S RESISTANCE ARMY

The Lord's Resistance Army (LRA) is one of several persistent destabilizing influences in central Africa and has created significant humanitarian challenges. The African Union Regional Task Force against the LRA, led by Uganda and with advice and assistance from the United States, is reducing the threat posed by the LRA to populations in central Africa. In the last six months alone, U.S. forces provided enabling support to 33 partner operations that disrupted LRA activities and significantly increased pressure on the LRA. Military operations, combined with robust efforts by civilian agencies and non-governmental organizations, have resulted in increased defections, the capture of key LRA leaders, and decreased threats to civilian populations. Additional enablers would allow our partners to respond more rapidly to actionable intelligence and improve the effectiveness of their operations.

LONG-TERM PRIORITIES

To be effective in our pursuit of enduring effects, our activities must be nested within a broader U.S. Government effort. Often, they are also nested within a multinational effort. Our priorities for military-to-military engagement are the African countries with the greatest potential, by virtue of their population, economy, and national power, to influence the continent positively in future decades. With countries already on positive trajectories as regional leaders and influencers, we can focus on strengthening military-to-military relationships to build capacity together. For others whose success is less certain, engagement and shaping by the international community can help to gradually enhance governance and security trends.

We recognize that if integrated into comprehensive strategies, the activities we conduct to address our immediate priorities help strengthen partner capacities and shape the regional security environment for the longer term. They also influence relationships and perceptions of the United States in ways that can affect our ability to address future challenges. As we address our immediate

priorities, we must also dedicate efforts to tending to our long-term priorities. Working with the range of international and interagency partners to effectively shape a more peaceful and secure future will reduce the likelihood of the United States and our partners being perpetually entwined in addressing immediate security threats.

CONCLUSION

Africa's importance to our national interests of security, prosperity, democratic values, and international order continues to grow. While the security environment in Africa will remain uncertain for the foreseeable future, we have an imperative to find effective ways to address increasing threats to our security. We also have an opportunity to make judicious investments that make security more sustainable while also furthering enduring U.S. interests. The increasing convergence of U.S. security interests in Africa with those of African partners, European allies, and the broader international community provides opportunities to significantly enhance multilateral cooperation as we work toward long-term stability and security. Improving trust and collaboration, and maintaining patience and consistency in our collective efforts, will improve the likelihood of our collective success.

A dynamic security environment and economy of force region call for disciplined flexibility – the ability to flex based on a general alignment of resources to strategy, a clear understanding of the management of risks, and realistic assumptions about what our posture and relationships can support. Sharpening our prioritization across the globe, deepening cooperation with partners and allies to better leverage combined efforts, and adhering to disciplined flexibility will help to mitigate risks and increase our efficiency. Our Nation will have to make increasingly tough decisions about risks and tradeoffs in the future. The Africa Command team will continue to work collaboratively with other combatant commands and the Joint Staff to provide our best military advice to inform decisions about managing risk in our area of responsibility and beyond.

Thank you for your continued support to the soldiers, sailors, marines, airmen, coastguardsmen, civilians, and contractors of Africa Command.

We will go forward, together.

TUESDAY, JULY 15, 2014.

OVERSEAS CONTINGENCY OPERATIONS FUNDING

WITNESSES

HON. ROBERT O. WORK, DEPUTY SECRETARY OF DEFENSE

ADMIRAL JAMES A. WINNEFELD, VICE CHAIRMAN, JOINT CHIEFS OF STAFF

HON. MIKE McCORD, UNDER SECRETARY OF DEFENSE (COMPTROLLER)

Mr. FRELINGHUYSEN. Hearing will come to order. I would like to recognize Mr. Visclosky for a motion.

Mr. VISCLOSKY. Mr. Chairman, I move that those portions of the hearing today which fall as classified material be held in executive session because of the classification of the material to be discussed.

Mr. FRELINGHUYSEN. So ordered. Thank you, Mr. Visclosky.

This morning the committee will hold a hearing on the recently announced overseas contingency operations budget request. I do have a statement, which, by unanimous consent, I would like to put on the record.

[The information follows:]



Statement of Congressman Rodney P. Frelinghuysen
July 15, 2014

Gentleman, thank you for your time and testimony this morning on the Fiscal Year (FY) 2015 Overseas Contingency Operation budget request for the Department of Defense (DOD).

Since your March budget request and subsequent “rollout”, America and our allies are facing more threats and danger than ever before. Consequently, our focus this morning is beyond our immediate OCO objectives in Afghanistan or Pakistan, but rather a whole host of challenges in the Middle East, Africa and Eastern Europe. *and crises*

Mr. Secretary: You’ve made that case for us for highlighting in your testimony “expanded and enhanced DOD activities” based on your interpretation of certain Congressional authorities, which actually our defense appropriations bill limits and restricts amounts and uses. If we were to accept your proposal, we would be waiving all limitations and restrictions carried in our bill.

The President proposes two new initiatives, two new funds in fact. One to reassure and sustain our partners in this counterterrorism effort, and the second to reassure Europe and to send a message to Russia.

Both initiatives suggest transferring funds to “provide flexibility” to other accounts to address crises in Syria, Iraq, Lebanon, Turkey and various operations in Africa and rightful apprehension in Central and Eastern Europe.

This Committee, reflecting the bipartisan concerns of all Members of Congress, wants to better understand the policies that are driving these funding requests. For example, why do we need new programs if we already have a Global Security Contingency Fund, the success of which has been difficult to measure?

We hope this hearing will answer these and other questions.

Mr. FRELINGHUYSEN. We are doing that so we can have enough time to focus on the many questions that we should be directing to our witnesses.

This morning I am very pleased to welcome Secretary Robert Work, who is the new Deputy Secretary of Defense, having been in his position for a bit over 2 months.

So, also, Admiral James A. Winnefeld, Jr., the Vice Chairman of the Joint Chiefs of Staff. Admiral, thank you for being here.

And Secretary Mike McCord succeeds our friend Bob Hale, who is an old hand here on the Hill, having had its roots in authorization, but with good relationships with appropriators.

So we are very pleased to have all of you. I think it is the first time any of you have appeared before our committee. We welcome you here at this early hour. And may I thank all the Members for being here so promptly, especially chief ranking member Nita Lowey of New York.

Secretary Work, I understand you will sort of be testifying for the group, if that would be all right.

Mr. WORK. Yes, sir.

Mr. FRELINGHUYSEN. But I am sure we will be hearing from all of you during the course of the morning. So if you would proceed, your formal statement would be put in the record.

[The written statement of Secretary Work and Admiral Winnefeld follows:]

AS PREPARED – EMBARGOED UNTIL DELIVERY

**PREPARED STATEMENT
OF
THE HONORABLE ROBERT O. WORK
DEPUTY SECRETARY OF DEFENSE
AND
ADMIRAL JAMES A. WINNEFELD, JR, USN
VICE CHAIRMAN OF THE JOINT CHIEFS OF STAFF
BEFORE THE
HOUSE APPROPRIATIONS COMMITTEE – DEFENSE
SUBCOMMITTEE ON THE FY 2015 OVERSEAS CONTINGENCY
OPERATIONS BUDGET REQUEST FOR THE DEPARTMENT OF
DEFENSE**

TUESDAY, JULY 15, 2014

Chairman Frelinghuysen, Ranking Member Visclosky, we very much appreciate the opportunity to be here this morning. On behalf of Secretary Chuck Hagel, Chairman of the Joint Chiefs of Staff General Martin Dempsey, and the men and women in uniform we serve, we want to thank this committee for your continued support of our troops who every day are conducting operations on behalf of our nation's security in very volatile, complex, and dangerous parts of the world.

It is with those ongoing operations in mind, that we want to address the Fiscal Year 2015 Overseas Contingency Operations (OCO) request, which the President recently submitted to Congress. As you know, we did not include a detailed OCO budget with the Department's base budget request in March since decisions had not yet been made concerning the number and activities of U.S. forces in Afghanistan after December, 2014. Pending these decisions, we included a placeholder of \$79.4 billion, which was simply last year's request. In the weeks since the rollout of our base budget, after conducting an extensive policy review that drew upon the best military advice of our commanders on the ground, including General Austin and General Dunford, President Obama announced post-2014 troop levels in Afghanistan. The President based his decision on the continued progress of the Afghan National Security Forces (ANSF), which have demonstrated much-improved competence and capability in the field.

As the President said in his May 28 speech at West Point, our objectives in Afghanistan are clear: disrupting threats posed by al Qaeda; supporting Afghan military and police forces; and giving the Afghan people the opportunity to succeed as they stand on their own. The Department of Defense will continue to pursue these objectives as we conclude our combat mission in Afghanistan after 13 years of war. As you know, 2014 has been a year of transition. Afghans turned out in record numbers this spring to elect a new president, though the results of that election remain in doubt. Afghan National Security Forces are now fully in the lead for combat operations as American troops shift to an advisory role. And the United States is preparing to support two new missions: a NATO-led train, advise, and assist mission; and a U.S. counter-terrorism mission against the remnants of al Qaeda.

AS PREPARED – EMBARGOED UNTIL DELIVERY

To support this transition, we will draw down to around 9,800 troops in Afghanistan by the end of 2014, and remain at that level well into 2015. This residual force will focus on training, advising, and assisting Afghan forces and conducting counter-terrorism operations. By 2016, we will reduce that number by roughly half, consolidating our troops in two locations – Kabul and Bagram Airfield. And by 2017, we will draw down to a substantial security cooperation mission in Kabul, with the potential for continued counter-terrorism operations. Our planning for the post-2014 mission remains contingent on the conclusion of a Bilateral Security Agreement and a NATO Status of Forces Agreement. Both Afghan presidential candidates have confirmed that they will sign both agreements shortly after taking office.

DoD's proposed OCO budget for FY 2015 of \$58.6 billion reflects these developments, as well as U.S. commitments made at the 2012 NATO Summit in Chicago. This request is \$26.7 billion or about one third less than the \$85.3 billion enacted by Congress for OCO in the current fiscal year. It is \$100 billion less than the \$159 billion OCO request from just four years ago. While the number of U.S. troops in Afghanistan will continue to decline over the course of FY 2015, there are significant costs to provide fully for the needs of our troops in the field and for continued war-related costs that will not decline as quickly as the forces themselves. Our funding request also supports maintaining a sizeable ground, air, and naval force presence in the Middle East region, which is critical to the successful execution of military operations in Afghanistan and other important missions in the region.

The FY 2015 OCO request also supports two new Presidential initiatives: \$5 billion for the Counterterrorism Partnerships Fund, of which DoD would receive \$4 billion; and \$1 billion for the European Reassurance Initiative, of which DoD would receive \$925 million. Each of these new initiatives is discussed in more detail below.

Operation Enduring Freedom and Related Missions

The requested funds for FY 2015 will provide \$53.7 billion for OPERATION ENDURING FREEDOM (OEF) and related missions. The budget will support the responsible drawdown of forces as announced by the President. It will provide for the continued support of the Afghan National Security Forces and coalition partners. It will pay for needed repairs and replacement of equipment to reset U.S. forces. It will enable the vast range of support activities, including logistics and intelligence. And it will support a portion of the temporary Army and Marine Corps end strength that supports OEF.

The budget request includes:

- \$11 billion for operations and force protection in Afghanistan, including special pays and subsistence, operating tempo, transportation, and supplies;
- \$18.1 billion to carry out the entire array of support activities by units and forces operating in the Central Command area outside of Afghanistan, including air, logistics and intelligence support in the Arabian Gulf region;
- \$9.2 billion for the repair or replacement of equipment, including small sums for equipment still returning after service in Iraq;
- \$4.1 billion for continued support of the ANSF; and
- \$2.4 billion to support the temporary Army and Marine Corps end strength above our base budget levels that is required for support of OEF operations.

Today, we would like to discuss three important parts of this OCO request.

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First, our costs in Afghanistan and the greater Middle East region remain substantial. Even with the end of our combat role in Afghanistan, we will continue to provide critical support for our troops and carry out our ongoing counterterrorism mission there, requiring high-end Intelligence, Surveillance, and Reconnaissance (ISR) assets, close air support, force protection, and logistics. We also must return thousands of pieces of equipment from Afghanistan to home stations and close down hundreds of combat facilities there. In addition, the FY 2015 OCO request supports other important missions conducted outside Afghanistan, including in the Middle East and Horn of Africa, such as assuring our regional partners, deterring aggression, and working with our partners to counter terrorism. Such support to partners reduces the burden on our forces and is critical to our long-term success.

Second, this OCO request will continue to help our military recover from more than a decade of fighting by covering war-related expenses such as repair and replacement of equipment that has been destroyed or damaged in combat or worn out due to prolonged use. When units return from combat, we restore them to a condition that allows them to conduct training exercises, achieve required readiness levels, and prepare them for future deployments in any potential contingency, from high to low-end conflict. As personnel and equipment return from Afghanistan to their home stations, the need for equipment reset will continue beyond 2015. Accordingly, the OCO request includes \$9.2 billion to fund the repair of major equipment such as tactical vehicles, Mine Resistant Ambush Protected vehicles (MRAP), radios, force protection equipment, and replacement of a number of both manned and unmanned aerial vehicles that were lost during operations. It also funds the replenishment of expended munitions, including more than 1,000 tactical missiles such as the Laser Maverick, Hellfire, and other precision stand-off weapons.

Finally, this OCO request provides continued support to the Afghan security forces. We are requesting \$4.1 billion for sustainment, operations, and the continued professionalization of the 352,000 strong ANSF, including 195,000 members of the Afghan National Army (ANA) and 157,000 Afghan National Police (ANP). The request also supports further developing the capacity of the Afghan Ministries of Defense and Interior to both sustain and command and control their forces.

We should expect the Taliban to continue testing the ANSF. But Afghan forces denied Taliban advances last year, and maintained security over this spring's two rounds of elections. Despite the Taliban's intent to disrupt the election process, the Afghan forces' security operations prevented attacks across the country, and voter turnout was high. During the Taliban's recent offensive in Helmand province, the ANSF organized and executed its operations with little coalition support. In summary, over the last year, the Afghan forces have demonstrated tactical superiority over the Taliban and have prevented the Taliban from gaining momentum. It is critically important that we maintain sufficient financial support to the ANSF so they can sustain those gains and continue to assume full security responsibility across Afghanistan.

Counterterrorism Partnerships Fund

This year's OCO request includes two new initiatives. President Obama announced his plan for the first of these – the Counterterrorism Partnerships Fund (CTPF) – in his commencement address at West Point on May 28. The \$5 billion request for the CTPF includes \$4 billion for the Department of Defense. That funding would support increased partner capacity building, facilitate partner counterterrorism operations, enhance DoD's counterterrorism

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operations, and increase the Department’s flexibility in responding to emerging crises. The funding would also support critical national efforts to contain spillover effects from the ongoing conflict in Syria.

We are requesting a transfer fund that will provide flexibility for our efforts. It will enable DoD – after appropriate congressional notification – to transfer funds to other accounts for execution, in accordance with national-level priorities and in collaboration with an interagency group that includes the Department of State. We plan to allocate about \$2.5 billion for counterterrorism support and \$1 billion for the Syria Regional Stabilization Initiative, helping Syria’s neighbors – including Iraq, Jordan, Lebanon, and Turkey. An additional \$500 million would be allocated for crisis response.

As part of the Syria Regional Stabilization Initiative, we are seeking \$500 million to train and equip appropriately vetted elements of the moderate Syrian armed opposition. This effort represents a critical long-term investment to build Syrian capacity to help secure and stabilize Syria, facilitate the provision of essential services, counter terrorist threats, and promote conditions for a negotiated settlement. It marks another step by this Administration toward helping the Syrian people defend themselves against regime attacks, push back against the growing number of extremists who find safe-haven in the chaos, and take their future into their own hands by enhancing security and stability at local levels.

The overall goal of the CTPF is to increase the ability of partner countries to conduct CT operations within their own borders, prevent the proliferation of terrorist threats from neighboring states, and participate in multinational CT operations to degrade terrorist threats. This support will focus on direct partner support in order to establish and maintain a network of partners to counter the spread of extremist groups. It will also fund transportation and logistical capabilities to address potential “global lift and sustain” gaps of our partners, which could include European and other allies conducting CT operations in these regions, thereby relieving pressure on U.S. forces by enabling partners to assume a greater operational burden.

The Department would use the CTPF to enhance critical capabilities that are in highest demand and that can provide essential support to partner force operations, potentially including:

- Significant increases in ISR funding, including the purchase of secure intelligence dissemination systems for partner-nations; and
- Support for naval CT enablers, such as communications and logistics support at austere locations within the U.S. Central Command’s area of responsibility and the Horn of Africa where there are no established base support functions.

The Department would also provide additional funds to cover increased SOF mission costs and the deployment of greater numbers of conventional forces to engage with partner nation forces to combat terrorism. And we would use CTPF funding to increase resources for proven capacity-building programs, such as Section 1206, and partnered CT operations programs, such as Section 1208.

European Reassurance Initiative

The second new initiative – the European Reassurance Initiative (ERI) – proposes increases in U.S. military deployments to Europe in the wake of recent developments in Eastern Europe and in Ukraine in particular. We believe that a temporary increase in rotational U.S. air, land, and sea presence in Europe, especially in Central and Eastern Europe, is a necessary and appropriate show of support to our NATO allies and partners who have contributed robustly and

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bravely to Alliance operations in Afghanistan and elsewhere and who are deeply concerned by Russia's occupation and attempted annexation of Crimea and other provocative actions in Ukraine. The ERI would be established as a fund that would permit DoD – after appropriate notice to Congress – to transfer funds to those initiatives that are deemed to be of the highest priority. The requested amount of \$1 billion includes \$925 million for DoD. It would be available for two years.

Approximately \$440 million will go to increase the U.S. military presence in Europe by:

- Enabling rotation of elements of an Army armored brigade combat team into Europe;
- Providing additional funds for expanded naval deployments in the Black and Baltic Seas;
- Augmenting NATO's Air Policing mission; and
- Either temporarily delaying withdrawal of Air Force F-15C aircraft from Europe or increasing aircraft rotations to Europe.

In addition, ERI will provide about \$75 million for more extensive bilateral and multilateral exercises and training with allies and partners, \$250 million for improvements to infrastructure that will boost responsiveness, especially in Central and Eastern Europe, and \$125 million for enhanced prepositioning of U.S. equipment in Europe. DoD would also use roughly \$35 million to help build partner capacity in some of the newer NATO allies and with non-NATO partners such as Georgia, Moldova, and Ukraine. Providing these countries with the capability and capacity to defend themselves and to enable their participation as full operational partners with NATO is an important complement to other U.S. lines of effort. Boosting the defense capabilities of our partners will also strengthen deterrence against aggressive actions by Russia or from other sources.

Conclusion

To summarize our OCO budget request for FY 2015, we would emphasize that the funds we are requesting will support our troops who are already serving in harm's way in Afghanistan and elsewhere in the CENTCOM area of operations. They will support the President's decision regarding an enduring U.S. presence in Afghanistan. And they will fund two new initiatives that are needed to further our national security objectives in counterterrorism and European reassurance. We ask for your support for this request.

Mr. Chairman, this concludes our statement. We welcome your questions.

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[CLERK'S NOTE.—The complete transcript of the hearing could not be printed due to the classification of the material discussed.]

Public Witness Testimony
Submitted to the House Appropriations Subcommittee on Defense
By Kim Bischoff, Executive Director
The Neurofibromatosis Network

Thank you for the opportunity to submit testimony to the Subcommittee on the importance of continued funding for research on Neurofibromatosis (NF), a terrible genetic disorder closely linked to many common diseases widespread among the American population.

On behalf of the Neurofibromatosis (NF) Network, a national organization of NF advocacy groups, I speak on behalf of the 100,000 Americans who suffer from NF as well as approximately 175 million Americans who suffer from diseases and conditions linked to NF such as cancer, brain tumors, heart disease, memory loss, and learning disabilities. Thanks in large measure to this Subcommittee's strong support, scientists have made enormous progress since the discovery of the NF1 gene in 1990 resulting in clinical trials now being undertaken at NIH with broad implications for the general population.

While not all NF patients suffer from the most severe symptoms, all NF patients and their families live with the uncertainty of not knowing whether they will be seriously affected because NF is a highly variable and progressive disease.

In Fiscal Year 2015, we are requesting level funding of **\$15 million to continue the Army's highly successful Neurofibromatosis Research Program (NFRP)**. The NFRP is now conducting clinical trials at nation-wide clinical trials centers created by NFRP funding. These clinical trials involve drugs that have already succeeded in eliminating tumors in humans and rescuing learning deficits in mice. Administrators of the Army program have stated that the number of high-quality scientific applications justify a much larger program.

What is Neurofibromatosis (NF)?

NF is a genetic disorder involving the uncontrolled growth of tumors along the nervous system which can result in terrible disfigurement, deformity, deafness, pain, blindness, brain tumors, cancer, and even death. In addition, approximately one-half of children with NF suffer from learning disabilities. There are three types of NF: NF1, which is more common, NF2, which initially involves tumors causing deafness and balance problems, and Schwannomatosis, the hallmark of which is severe pain.

NF is not rare. It is the most common neurological disorder caused by a single gene and is more common than Muscular Dystrophy and Cystic Fibrosis combined, but is not widely known because it has been poorly diagnosed for many years. It strikes worldwide, without regard to gender, race or ethnicity. Approximately 50 percent of new NF cases result from a spontaneous mutation in an individual's genes and 50 percent are inherited.

NF's Connection to the Military

Neurofibromatosis (NF) has become a clinical 'model' for advancing medical research. The genetic information learned from NF holds the key to understanding a number of health issues

that benefit the war fighter, as well as the general population, including cancer, bone fracture and repair, vascular disease, wound and nerve healing, learning disabilities and pain.

The Neurofibromatosis Research Program (NFRP) is providing critical research that directly benefits the War Fighter including:

Bone Repair - At least a quarter of children with NF1 have abnormal bone growth in any part of the skeleton. In the legs, the long bones are weak, prone to fracture and unable to heal properly; this can require amputation at a young age. Adults with NF1 also have low bone mineral density, placing them at risk of skeletal weakness and injury. Bone fractures sustained by the war fighter and how to repair them is of interest to the military. Research being conducted by NF researchers in this area will help in the understanding of bone biology and repair, and will pave the way for new strategies to enhancing bone health and facilitating repair.

Pain Management - Severe pain is a central feature of Schwannomatosis, and significantly impacts quality of life. Understanding what causes this pain, and how it might be treated, has been a fast-moving area of NF research over the past few years, and NFRP funding has been critical in supporting this research. Pain management is a challenging area of research and new approaches are highly sought after. With the types of injuries that war fighters are sustaining, including nerve damage, research on various forms of pain management is of increased interest.

Nerve Regeneration - NF often requires surgical removal of nerve tumors, which can lead to nerve paralysis and loss of function. Understanding the changes that occur in a nerve after surgery, and how it might be regenerated and functionally restored, will have significant quality of life value for affected individuals. Nerve damage and loss of function after injury sustained by the war fighter is of considerable interest to the military. Light-based therapy is being tested to dissect nerves in surgery of tumor removal. If successful it could have applications for treating nerve damage and scarring after injury, thereby aiding repair and functional restoration.

Wound Healing, Inflammation and Blood Vessel Growth - Wound healing requires new blood vessel growth and tissue inflammation. Mast cells, important players in NF1 tumor growth, are critical mediators of inflammation, and they must be quelled and regulated in order to facilitate healing. Researchers have gained deep knowledge on how mast cells promote tumor growth, and this research has led to ongoing clinical trials to block this signaling, resulting in slower tumor growth. As researchers learn more about blocking mast cell signals in NF, this research can be translated to the management of mast cells in wound healing. Due to the nature of the wounds that soldiers are enduring, research on wound healing, inflammation, blood vessel growth, and the development of markers for early detection of vascular changes are of particular benefit to the military.

Learning Disabilities/Behavioral and Brain Function - Learning disabilities affect one-half of people with NF1. They range from mild to severe, and can impact the quality of life for those with NF1. In recent years, research has revealed common threads between NF1 learning disabilities, autism and other related disabilities. New drug interventions for learning disabilities are being developed and will be beneficial to military dependants, as well as the general population. Research being done in this area includes a clinical trial of the statin drug Lovastatin, as well as other categories of drugs.

New Cancer Treatments - NF can cause a variety of tumors to grow, which includes tumors in the brain, spinal cord and nerves. NF affects the RAS pathway which is implicated in 70% of all human cancers. Some of these tumor types are benign and some are malignant, hard to treat and often fatal. One of these tumor types is malignant peripheral nerve sheath tumor (MPNST), a very aggressive, hard to treat and often fatal cancer. MPNSTs are fast growing, and because the cells change as the tumor grows, they often become resistant to individual drugs. Clinical trials are underway to identify a drug treatment that can be widely used in MPNSTs and other hard-to-treat tumors.

The Army's Contribution to NF Research

While other federal agencies support medical research, the Department of Defense (DOD) fills a special role by providing peer-reviewed funding for innovative and rewarding medical research through the CDMRP. CDMRP research grants are awarded to researchers in every state in the country through a competitive two-tier review process. These well-executed and efficient programs, including the NFRP, demonstrate the government's responsible stewardship of taxpayer dollars.

Recognizing NF's importance to both the military and to the general population, Congress has given the Army's NF Research Program strong bipartisan support. From FY96 through FY14 funding for the NFRP has amounted to \$273 million, in addition to the original \$8 million appropriated in FY92. In addition, between FY96 and FY12, 294 awards have been granted to researchers across the country.

The Army program funds innovative, groundbreaking research which would not otherwise have been pursued, and has produced major advances in NF research, including conducting clinical trials in a nation-wide clinical trials infrastructure created by NFRP funding, development of advanced animal models, and preclinical therapeutic experimentation. Because of the enormous advances that have been made as a result of the Army's NF Research Program, research in NF has truly become one of the great success stories in the current revolution in molecular genetics. In addition, the program has brought new researchers into the field of NF. However, despite this progress, Army officials administering the program have indicated that they could easily fund more applications if funding were available because of the high quality of the research applications received.

In order to ensure maximum efficiency, the Army collaborates closely with other federal agencies that are involved in NF research, such as the National Institutes of Health (NIH). Senior program staff from the National Institute of Neurological Disorders and Stroke (NINDS), for example, sits on the Army's NF Research Program Integration Panel which sets the long-term vision and funding strategies for the program. This assures the highest scientific standard for research funding, efficiency and coordination while avoiding duplication or overlapping of research efforts.

Thanks in large measure to this Subcommittee's support, scientists have made enormous progress since the discovery of the NF1 gene. Major advances in just the past few years have

ushered in an exciting era of clinical and translational research in NF with broad implications for the general population. These recent advances have included:

- Phase II and Phase III clinical trials involving new drug therapies for both cancer and cognitive disorders;
- Creation of a National Clinical and Pre-Clinical Trials Infrastructure and NF Centers;
- Successful elimination of tumors in NF1 and NF2 mice with the same drug;
- Development of advanced mouse models showing human symptoms;
- Rescue of learning deficits and elimination of tumors in mice with the same drug;
- Determination of the biochemical, molecular function of the NF genes and gene products;
- Connection of NF to numerous diseases because of NF's impact on many body functions.

Fiscal Year 2015 Request

The Army's highly successful NF Research Program has shown tangible results and direct military application with broad implications for the general population. The program has now advanced to the translational and clinical research stages, which are the most promising, yet the most expensive direction that NF research has taken. Therefore, continued funding is needed to continue to build on the successes of this program, and to fund this promising research thereby continuing the enormous return on the taxpayers' investment.

We respectfully request that you include \$15 million in the Fiscal Year 2015 Department of Defense Appropriations bill for the Neurofibromatosis Research Program. With this subcommittee's continued support, we will prevail. Thank you for your support.

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